

THE  
PRESENT ASPECT  
OF THE  
LABOR PROBLEM.

BY  
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## LABOR'S VIEW OF THE SITUATION.

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The events of the past few weeks have opened the eyes of the most optimistic American to the reality of the danger concerning which many a warning has been given hitherto in vain. Even the sanguine believers in manifest destiny realize at last that an industrial contest is upon us, out of which may easily come social anarchy in our great centres, and a sorer crisis for our republic than that through which we have so lately passed. There is ample time for a peaceful adjustment of this threatening conflict, but, if we are to have peace, there is urgent need of dispassionate thought and calm counsel between the contending sides. The danger in such a situation is that interest will blind the judgment and passion inflame the will, and that from both sides men will act under hot impulse rather than under the cool guidance of reason and conscience. The duty of the pulpit is clear in such an emergency. It must speak with calm words on behalf of peace and with fearless words on behalf of justice. It must call upon the better natures of men on each side to go forth from class lines and meet midway to reason together.

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You, my friend, who are an employer of labor cannot but come under the natural bias of your position. You would be superhuman if your judgment was not colored by your interest, if your conscience was not clouded by your feeling. You see your views reflected in the opinions of your friends. You read them stated in the leaders of the papers which you take. Everything tends to confirm you in your own conclusion. It is the same with the working man. He looks at the matter from the stand-point of the employee. Interest colors his judgment and feeling clouds his conscience. He hears his own views reiterated in his Union meetings, and argued with warmth in his labor journals. He is thus confirmed in his own one-sided judgment of the case. I want, as far as my words may reach, to bring employer and employee together, to look each upon the situation as it presents itself to the other, and both upon the situation from the point of view of society at large; trusting thus to aid in the formation of that calmer, truer judgment which will bring us peace in righteousness.

I shall thus try to set before you, who are employers of labor, the workingman's view of the situation. You are very apt, my friends, to jump to the conclusion that there is no real case for the other side. You are keenly aware of the ignorance of eco-

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conomic laws often displayed by labor to-day, of the dictatorial and despotic spirit that it manifests at times, of the unreasonable claims that it frequently urges, of the folly of much of its action. Precisely because of this clear vision of the real weaknesses of labor's position you may be blinding yourself to the back-lying strength of its position. A gentleman now engaged in teaching Political Economy in this city, whose personal sympathies are very conservative, said to me a few weeks since, at the time of the first great street car strike: "I have not met an employer of labor who has not taken unconsciously a class-view of the situation." A few days since an employer in this city said distinctly: "Labor has no legitimate ground to warrant any agitation such as is disturbing the country. It ought to be put down with a strong hand." One who keeps his eyes and ears open cannot fail to note on every side the indications that hand is joining hand to carry out some such determination. I do not wonder that any of you should be swept into such a current. Enough and more than enough has occurred to provoke your passions and to rouse the fighting nature which is in us all—the heritage of far-back ages when life was all a savage strife. I pity from my heart any man who is to-day a large employer of labor, and would not for his wealth exchange my modest income, if I had to be booted with his cares and anxieties. None the less, without taking on any airs of mental or moral superiority, and speaking from a position where if my interests are biased at all they would naturally swing me upon your side of the case—I call on you to stop and think calmly before you act strongly.

I. You say: "Why do our men treat us with such suspicion? We mean to do squarely by them. We are honestly desirous of bettering their condition. When we plan any improvement for them we find our plans regarded with distrust and our overtures sullenly rejected. They make us feel at every turn that they have no confidence in our veracity or honor, or in our desire to make a human relationship out of the bond between us." This is often doubtless true, and being true it is hard indeed. I know how some of you have planned large things for your employees and how disappointing has been your experience at their hands. But remember that you are not the only employers of labor in the land. There are, alas! too many in your position who have not your conscience. Shylock is in business still. And as one Shylock stamped a race with opprobrium, so one Shylock to-day may brand a whole class with the mark which leads men to turn from it in distrust and fear. The principle of solidarity holds over all employers of labor, and you suffer because of others whose hearts are made out of flint and whose consciences were forgotten in their make up.

Remember, still further, that the old personal relationship of



employer and employee has been rapidly disappearing in our midst, through the development of corporate industry. Joint stock companies are dispossessing private enterprises in all directions. The shareholders in a corporation have nothing to do with its management. They know nothing of its hands, and come into no living relationship with them. They may perhaps attend an annual meeting and vote the right ticket, and then all their duties are discharged, except that of drawing the quarterly dividend. The management of the business falls upon a superintendent, who has necessarily a very large liberty, and who, if he be so disposed can become a great tyrant, without the stockholders knowing anything about it. These superintendents are often smart, sharp, pushing men, who by reason of these qualities, which make of them efficient administrators in our times of fierce competition, are apt to become hard masters of the men under them. The employees cannot get the ears of the directors of the company—since they know that any whisper of discontent may lose them their positions. Read the testimony of intelligent workmen before either of the great Congressional committees, and you will find that this is a serious factor in the situation. In one of the manufacturing towns of New England there is a factory known as “Hell’s Mills”—a sufficiently suggestive title. On one occasion, when the hands had struck for an increase of ten per cent. of their wages, the superintendent held in his pocket an order of the Board of Managers authorizing him to grant the increase; which he withheld until he forced the men to terms, *and thus saved to the company ten per cent. additional profits*. This is the sort of man that is stirring up trouble in many an unsuspected quarter, and envenoming the attitude of labor toward capital. One “Hell’s Mills” is enough to turn thousands of workmen into demons.

II. You complain, my friend, of the loss of interest in their work shown by your employees. This is doubtless, to a considerable extent, the fault of labor, about which I shall have somewhat to say next Sunday. But is it wholly labor’s fault that it is losing interest in its tasks?

Consider the change that has come over the conditions of labor and the nature of many of its tasks. In the olden time, the weaver sat in his little home with his family around him, blithely joining in his labor. He could readily enough work long hours and not grow discontented. Now he leaves his home early and spends the daylight in a huge factory, amid its din and clangor, separated from his family, or perhaps still worse, finding them with him in one of these great barracks of industry—even the little children, who should be at school, having some task which they needs must do to eke out the support of the family.

Of old the artisan was master of his craft. He made something. He began a process which he finished. Now the factory

hand does a little bit of a job over and over again—a fractional part of a process which he neither begins nor completes, and which lends him no joy of the intelligent craftsman. He once was a workman, fashioning with his own hands the watch into perfected shape. Now the machine is the true workman, taking the raw materials and turning out the finished watch. The brains are in the machine. The man is but the living tender of the steely monster who has robbed him of his brains and stolen from him the joy that comes from their rightful exercise in making things.

Of old the workingman's relationships were settled and continuous. There was time for warm personal bonds to knit, and for trust and loyalty to make an *esprit du corps* in the establishment. In Nuremberg there was, three hundred years ago, a family of the name of Sach, distinguished as manufacturers of Dutch metal. They had then in their employ certain workmen of the name of Schmidt. To-day the same business is conducted upon the same spot by the descendants of the family of Sach, and among the employees are to be found descendants of the family of Schmidt. This was the old order, under which a beautiful loyalty was possible. Contrast with it our nomadic industry. Factories passing from one hand to another, their employees changing all the time—about as rapidly as our domestic retinues, in which the new system of hiring by the hour will soon come into play—and can you wonder that the old loyalty has gone, and with it the old pride in work well done, the old interest in work at all?

Go down in imagination into the lower grades of labor; realize what the conditions are under which their tasks are wrought, how utterly monotonous and unintelligent their occupations, and cease to wonder at the loss of interest which you find.

III. You say again: "Our workingmen are well enough off, if they only knew it." Your skilled workmen doubtless are often well off for wage workers. Skilled labor in this country is probably paid higher than in any other country of the world. Your answer to its complaints is fair enough, as far as it goes. But now about the unskilled labor of the country? If you examine the last United States census, you must have noted the rather startling fact that the average wage of the working people of the land is about three hundred dollars per annum. How far does that go toward the support of a family? Every man who wants to be informed as to all the facts of the situation ought to read the late reports of two of our great bureaus of labor—the report of the Massachusetts Bureau and the report of the New York Bureau—upon the condition of working women in Boston and New York. There are cool statements of facts therein which are painfully impressive. The Chief of the Connecticut Labor Bureau, Professor Hadley, gives us the reasons for concluding that our usual estimates of wages in this country tend to err upon the optimistic side. The Pennsylvania

Bureau of Statistics shows that in some instances the nominal wages are in excess of the actual wages by 60 per cent. An examination of the reports of the Massachusetts Bureau of Labor shows a difference of from 20 to 50 per cent in the estimate of wages given by employers and by employees.

Whatever the facts may be, we must remember that wages are determined, not by their nominal amount, but by their relative value—their purchasing power. Despite of Mr. Evarts' dictum in the Consular Reports on the state of labor in Europe, every one knows that the prices of many necessities are much higher here than in Europe, so that workmen do not find themselves nearly so well off in coming here as they had expected. And then, further, you must remember that the social wants of our workmen are greater than those of labor in other lands. Here is where the shoe pinches.

IV. But you say: "Our workmen are certainly better off now than formerly." If you refer to a short period of time I find authorities again differing widely. Mr. Atkinson says that in Massachusetts, within twenty-five years, the wages of cotton mill operatives have increased 37 per cent., those of average mechanics 21 per cent. and those of skilled mechanics 33 per cent. But on the other hand, the United States census—which Professor Hadley thinks our most reliable authority—gives a drop of 25 per cent. in wages during the decade of 1870–80. The testimony of workmen in different industries as given by the New Jersey Labor Bureau, indicates a downward tendency in wages. Let me give you a few samples of these reports. Locksmith, Newark: "In former years I accumulated considerable, but now I cannot make a cent above expenses." Weaver, Gloucester: "We have had a reduction of 10 per cent. and another of 15 per cent. in a year." Jeweler, Canada: "Could get along before the war, making from \$15 to \$20 weekly. Now I get but \$6 or \$7." Silk-worker, Paterson: "Wages have been reduced 50 per cent. in three years."

Do you then mean, my friends, that labor is better off now than of old? Certainly it ought so to be, with the astonishing advance which our civilization has made. Unquestionably so it is, in many respects. The poorest workingman to-day enjoys hosts of advantages from civilization which the richest could not have had a few centuries ago. The direct benefits of civilization for him are enormous. He is better housed on the whole, and certainly is better fed; his length of life is increased; he is not nearly so liable to the dreadful diseases which formerly preyed upon him; his earnings are ordinarily secured for him; he lives amid the manifold privileges which are now the common rights of all; and he has an education such as only a few scholars then enjoyed. The direct benefits of civilization—the increase of his wages, the lessening of his work and the bettering of the conditions of his work—are by



no means so clear. You have probably read the "Progress of the Working Classes in the Last Half Century," by the President of the British Statistical Society. If we can rely upon its figures, the workingman has no case at all on this point. But, unfortunately, figures are notoriously unreliable, and one has only to prod a few of these roseate tables with some sharp questions to discover how inconclusive they really are. In the Chair of Political Economy at Oxford, certainly a sufficiently conservative institution, there is to-day one of the leading authorities in his department. Prof. Thorold Rogers inclines to the opinion that in real wages the workingman of the fifteenth century was better off than the workingman of to-day. The present movement for a reduction of a day's work to eight hours, according to this high authority, is simply an endeavor to get back to what was once the normal day's work.

"This concerns England," you say. True, but in the increasing interrelationship which is taking place among all lands, the state of labor in one land affects directly the state of labor in another. American labor is inevitably tending, by natural causes, to the level of European labor, except in so far as other factors are working to counteract this tendency.

Hitherto we have been saved from the conditions which have so dreadfully depressed labor in the old world. Those conditions, however, are rapidly reproducing themselves here. We have reached the limit of available free land. We are beginning to feel a sense of overpopulation. Our labor market is being over-stocked. The whole world is becoming one open market in which labor anywhere must compete with labor everywhere. We have been distinctly warned through our Consular Reports that labor in this country must expect to accept the conditions of the old world. And in the old world, as we have seen, there is good reason to suspect that the condition of labor is in some respects no better off than some centuries ago. We have, however, as yet no sufficient data from which to generalize assuredly upon this question.

This much seems clear to me, that the tide has turned—that the low water mark of labor was reached at the beginning of this century, that a counter-current has been gathering headway, making against the unfavorable tendencies of our system to which I have referred, and that skilled labor is steadily rising.

The general question is not so much as to whether labor is better off than of old, but as to whether it shares proportionately in the enormous advance of our century. It is hard for us to realize what a stupendous stride forward the western world has taken in our century. Look at the development of machinery! Since 1870, in the United States machinery has doubled the productive power of our people. This represents an increase of 22,000,000 man power. On every hand, the processes which were formerly carried on by hand are now being performed by mechanism. If



one could have looked ahead at the beginning of our century and contemplated this enormous transformation, how natural would have been the sanguine expectation that the condition of labor would be lightened by this change beyond anything known in history. Has it been so? Undoubtedly, labor has entered into the benefit of machinery, by the cheapening of prices and by being relieved from many of its more arduous tasks; but, take it all in all, can we dispute the judgment of so cool-headed an authority as John Stuart Mill? "Hitherto it is questionable," he wrote in his great work on Political Economy, "if all the mechanical inventions yet made have lightened the day's toil of any human being. They have enabled the same population to live the same life of drudgery and imprisonment and an increased number of manufacturers and others to make fortunes." Professor Huxley says that the 7,500,000 workers in England can produce as much in six months as would have required one hundred years ago the entire working force of the world for one year. Does anybody imagine that they have entered into their proportionate share of this tremendous gain of productive power?

The increase of wealth in our century has been something stupendous. In Europe and the United States, wealth has increased since 1850 three times faster than the population. According to Mulhall, since 1830 Great Britain has almost trebled her wealth, France has quadrupled hers, and the United States has multiplied its wealth sixfold. At present we are growing nearly \$4,000,000 richer between each sunrise and sunset. Does any one again imagine that labor, as a whole, has shared proportionately in this astonishing increase of wealth? If it were so how could there be the present discontent? If we had had a reasonable amount of scientific statistical study, it ought to be a simple thing to find out what is the relative proportion of profits and wages; but if you try this sum in arithmetic you must have clearer brains than mine if you do not get muddled. From your point of view it looks very clear doubtless. Mr. Giffin and other strong statisticians claim that an increasing part of the profits of industry are going to labor. Mr. Atkinson says that 90 per cent. of the wealth produced in manufactures goes to labor in wages, and only 10 per cent. to capital as profits. The Connecticut Labor Bureau gives only 5 per cent. of profits to capital. But on the other hand, different manipulations of these figures are possible. The author of "Man's Birthright, or the Higher Law of Property," by no means a socialistically inclined writer, claims that capital makes \$1.08 on every dollar paid out in wages; averaging 36 per cent. on its investment. Mr. Carroll D. Wright, the head of our National Bureau of Labor, and for years the head of the Massachusetts Bureau of Labor, when on the stand before the Congressional Committee on Education and Labor, gave it as his conclusion that in

certain industries the employer gets \$98 profit on each hand, who receives an average wage of \$364. If he be right, then there is clearly room in such industries, when conducted on a large scale, for a considerable increase of labor's share without hurting capital.

Our census studies are so manifestly imperfect that it is utterly rash to make any sweeping generalizations on the data now before the country. But, if you are candid, you must admit, my friends, that labor clearly has a case worthy of being brought into court, a case which must be met by calm reasoning and by clear figures. If the employer's books could be opened to labor, there ought soon to be a better understanding. The late Professor Fawcett, who was thoroughly conservative, wrote as follows: "If any one, a quarter of a century since, could have foreseen all that was about to take place; if he could have known that trade was soon to be trebled; that railways would be taken to almost every small town in the kingdom; would it not have appeared absolutely incredible that all these favorable agencies should have produced so little effect that *it may now be fairly disputed whether the poverty of the poor has been perceptibly diminished?* There has, no doubt, been an unprecedented accumulation of wealth, but this wealth has been unhappily so distributed that the rich have become much richer, *whilst the poor have remained as poor as they were before.*" Even the optimistic Mr. Giffin is forced to confess: "No one can contemplate the condition of the masses of the people without desiring something like a revolution for the better." One has but to study the development of New York to realize the truth of the matter. Millionaires have multiplied in our midst, in a century, from a handful to several hundred. To be a plain millionaire now is not at all to be a wealthy man, as New York counts wealth. On the other hand, look at the squalor of poverty in the midst of which the largest portion of our people live. Here labor sees the situation in the strongest lights and shadows.

The revolution in industry and trade that has been wrought by the inventions of our century has played into the hands of the powers already commanding the situation—brains and wealth. It is natural that it should have been so. It argues no diabolical selfishness on the part of either brains or wealth that so it has been, but simply the average selfishness natural to us all on the part of those who had a chance and then used it. When the tide turns it turns for all the craft in the river, but it makes an enormous relative difference where your boat may be at the turn of the tide. If you lie by the shore where the tide makes first, and the favoring breeze strikes you there while it is calm yet over on the ebb shore, you will gain an enormous lead upon your fellows.

V. But you say: "Whatever the condition of labor it is its own fault." To a certain extent, undoubtedly, it is so, as I shall seek to point out next Sunday, but this by no means exhausts the case.

What I have already said points to the fact that there are other and far larger factors at work in the problem than mere laziness, and ignorance, and waste. Our system is working against labor, in some very serious respects. The growth of population is handicapping labor. Were it ever so energetic and intelligent and thrifty, it would have everywhere a harder struggle, because everywhere the labor market is feeling the pressure of an over-supply of hands for the work which there is capital enough to undertake. Machinery is dispossessing labor from one field after another at an alarming rate. The population of England and the United States together equals some 80,000,000 to 90,000,000, but measured by the productive power of machinery these two countries alone have to-day a population of 1,000,000,000. This represents the real extent of the crowd in the labor market. Machinery is pushing men increasingly aside and substituting the labor of women and children. Women work on the average for one-half the wages of men, and children for one-third those wages. How portentous then is the fact that, whereas our increase of labor at large between 1870 and 1880 was 52 per cent., the increase of child labor in the same period was 98 per cent. "A man's foes shall be those of his own household." This is coming to pass literally, as men's wives and children are called into the places which they themselves have hitherto filled. There is thus massing in every labor market in the world a constantly increasing body of unemployed or partially employed men, ready to bid down wages in every department. For every place vacated, there are a dozen, if not a hundred, ready to step in. This is the growing danger which labor feels with a shudder.

Our industrial system runs in fits and starts. A spell of feverish activity produces a reaction, in which mills close and factories shut down, and labor drops its work, of necessity, and enforced idleness consumes the fruit of months of toil. This was not so of old. It is a peculiarity of our modern system. It is one of the results of our enormous development of productive power unsystematized and accompanied by an unequal distribution of its rewards. There is no real over-production. The mere idea is an absurdity. Over-production of wheat, while tens of thousands of men stand hungry, unable to buy flour? Over-production of clothes, while tens of thousands go half clad, shivering in the cold and hiding their shabbiness from the eyes of their fellow men? If you have enough necessities, are your higher wants supplied? Relative over-production, of course, there is wherever there is a glut, but that really means lack of power to consume—that is, the power to buy things that are needed. Were there any equable distribution of the wealth that exists to-day, from myriads of homes men and women would go forth at once and buy the things that they need, for body or mind—bread or books, clothes



or pictures, and the biggest boom would be started that the country has ever known. Over-production in wealth, when the total annual wealth of our country if equally divided, would only leave to each man, woman and child 50 cents a day! The greatest curse of our industrial system to-day is this periodicity of stagnation, in which everything comes to a standstill; in which, while rich men live on their interest, poor men eat up their little principal of savings, and then grow fierce with the madness of hunger.

I am astonished at nothing in our business-life so much as the absence of an earnest, determined endeavor on the part of our men of brains to find the causes of these chronic crises and hard times, and then set upon the track of some remedy therefore. Were there any serious endeavor to systematize production, now carried on in the helter-skelter scramble of individual greed, things would soon better with us in this respect. Here is a magnificent work for our industrial and trade associations.

It is the uncertainty gendered by these recurring hard times which indisposes poor men to habits of thrift and stays the development of labor. Of old the worker felt reasonably sure of his future. Now the average worker knows not what a day may bring forth. The wolf is ever growling behind his door. Mencius, the great Chinese sage, three hundred years before Christ, taught that uncertainty as to the means of existence is one of the most important factors in the demoralization of a people. There is a lesson for us in this sagacity of "the heathen Chinese."

And then, not to pursue the matter further in detail, the tendency to concentration of population in our towns and cities, our imperfect and corrupt government, Municipal, State and National, our crude and well-nigh barbaric methods of taxation, our special legislation, partial to wealth, our grotesquely inadequate system of education for the people, which provides in the common schools for well-nigh everything but the most common need of the common people—industrial training—these and many other factors of our social condition enter into the problem, combining to put down labor on the minus side.

Above all and back of all, we come up everywhere to the problem of rent. As Prof. Thorold Rogers shows, this is the one point in which most signally labor stands at an increasing disadvantage in civilization. In every land there is a steady tendency in the direction of increasing rent. This prime necessity is eating more and more into the incomes of the poor and of the middle classes of people. Listen to the murmurs of discontent, as they rise in every country, and, under all the changing conditions of life, you will hear this one growl against the increasing exactions of land. Without a footing in the soil the workman cannot really be independent, since he must sell his one ware—labor—at any price, in



order to live. He must be found in work. Freedom of contract under such conditions is a mockery.

Here, then, is a complication of conditions working against labor which makes childish the optimistic talk that one hears on every hand. When labor has taught itself to be energetic, intelligent and thrifty, it will then simply have prepared itself to grapple with the forces in our industrial system which, while working for it as a part of civilization at large, are yet working against it sorely in special ways. The problem is too large for any man to solve to-day. All the more, my friends, on you, who represent the brains and the wealth of the country, lies the urgent duty of meeting labor calmly and reasonably, for a comparison of views and for a study together of the problem which in the long run is your problem as well as its problem.

VI. But you say again: "Granting all this, it cannot be helped. Natural laws are working these conditions, and it is vain to seek to oppose them." It is easy, my friends, for one who is well off to talk thus. "Put yourself in his place"—the place of the man who is standing sullenly idle in the market without work, who has used up the hard-earned savings of months, whose wife and babies are at home hungry. Would you thus calmly sit down and say, "it can't be helped?" If I know you, with your clear grit, you would be more apt to clench your fist and take a great oath that it should be helped somehow or other. Now these men are of like passions with yourselves, and are coming to much the same conclusion; and this is the meaning of the sullen, bitter, dogged determination that one finds on every hand, which is simply incipient anarchism. Such a state of mind is the powder, which only needs a match to set it off. If I stood in such a position and believed that it could not be helped, I should quickly lose all faith in a living God, and when that faith fell from me it would not take much to madden me and make me ready for the worst. That is the process of development of demons which our comfortable, easy-going political economy is forcing forward. Dangerous classes! I do not only find them in the slums, but in the chairs of political economy and the seats of enormous wealth, where brains and wealth unite in the chorus: "It can't be helped!" Woe for us in our civilization if so it be!

But, my friends, it is a lie of the devil. If there is one wrong on the earth that cannot, sooner or later, be righted, when men shall but study and work together, then this is no world of God. It can be helped! It needs now but the determined resolve that it shall be helped, to open the way out of the clouds into light. Labor is beginning to study the problem for itself, with wits sharpened by want; and, with insight cleared from all sophisms of vested interests, it sees that these things *can* be helped, that where there's a will there's a way, here as elsewhere.

*It shall be helped*—that is the meaning of the labor organizations which are springing up to day on every hand, developing such tremendous power and provoking such strong opposition from the employers of labor. I do not wonder at this opposition, after the unreason and folly that has been displayed of late. If these organizations are to persist in some of their present methods the strain will be unbearable for employers of labor. I have no defense to put in on behalf of these methods, which I reprobate as heartily as you do. But, I pray you not to let such excesses drive you into any equally unreasonable attitude of opposition. I appeal to your sense of generosity, your justice, and your enlightened self-interest in the matter.

Remember, my friends, what you employers of labor owe to just such organizations in past times. Refresh your memories of history and you will recall how, in the Middle Ages, manufacturers and tradesmen and merchants were a semi-servile class, at the mercy of the rapacious and lawless Barons of the Crags—those social vultures who from their eyries on the hills swooped down upon the farmers' fields, levied tolls upon the passing traders, and ground the craftsmen of the neighboring villages into the dust. Freedom and wealth and social position for the manufacturer and trader and merchant were won by the stout burghers of the towns banding together in unions which gave strength. It was those Craft and Trade Guilds of the olden time, whose relics remain in the great Companies of London, which formed the first industrial organizations in our western world. Labor is simply patterning after the good example which your ancestors set. Do not meanly deny to it the use of the same all-powerful weapon of association to which you owe your liberties.

Labor can no more win its economic independence to-day without association, than employers of labor could have won their liberty in past times without union. You know, as well as the workingman knows, that to stand alone is to be at the mercy of unscrupulous and tyrannous employers, a victim of the hostile circumstances which are closing round him and threatening a new serfdom. The first right of self-preservation demands his freedom of association. Be just enough to recognize this inherent right, despite of the abuses to which it may lead.

All the real advances which labor has won in our century—those advances to which you point as the evidence that his lot is bettering—have been won chiefly by the power which he has developed through association.

Justin McCarthy, in his "History of Our Own Times," when speaking of the famous Chartist movement, writes: "There had been a parliament of aristocrats and landlords, and it had for generations troubled itself little about the class from whom Chartism was recruited. The sceptre of legislative power had passed

into the hands of a parliament, made up in great measure of the wealthy middle ranks, and it had thus far shown no inclination to distress itself overmuch about them. Almost every single measure parliament has passed to do any good for the wage-receiving classes and the poor generally has been passed since the time when the Chartist began to be in power. Our Corn Laws' repeal, our factory acts, our sanitary legislation, our measures referring to the homes of the poor—all these have been the work of later times than those which engendered the Chartist movement." All who have carefully studied the history of labor organizations in England confirm this judgment. If wages have risen, it has been chiefly because labor has developed a power to enforce its demands for a larger share of profits. It has been the same story with us here. I spoke to you earlier in the winter of a notable scheme of profit-sharing which had been introduced in a New England company, but I did not know at the time that this wise measure was the result of a long and trying strife which that company had been waging with Labor Unions.

Labor organizations have learned wisdom, through experience, in the past. They began in England with as abominable methods as certain of these now brought into use here—in some of which, however, let me remind you, they were simply imitating the bad example set by employers of labor, "rattening," for example, having been first introduced by the bosses—but they have been gradually correcting their mistakes, gaining sobriety and good judgment, and turning their organizations into institutions for the education of their members, for their mutual assurance and for political influence upon legislation. Mr. George Howells shows that a number of societies, which he had specially studied, had spent in thirty years upward of \$19,000,000 through their various relief funds, and \$1,369,455 only on strikes. Mr. Harrison speaks of seven societies spending in one year (1879) upward of \$4,000,000 upon their members out of work. He shows that seven of the great societies spent in 1882 less than two per cent. of their income on strikes; and states that ninety-nine per cent. of union funds in England "have been expended in the beneficent work of supporting workmen in bad times, in laying by a store for bad times, and saving the country from a crisis of destitution and strife."

We may reasonably expect, therefore, that labor organizations will educate themselves here, as they have done in England, in the practical methods of self-help. This process is going on before our eyes. The trades-unions of skilled labor are even now conservative institutions. They represent intelligence in intelligent action. You have all read lately the calm, wise words of Mr. Arthur, the chief of the Brotherhood of Locomotive Engineers. Power is safely lodged in such hands. The unions of unskilled labor present, doubtless, the real danger before us. These unions are,



however, also capable of becoming great educational instrumentalities, and education will bring them wisdom. They are fortunately being drawn into great federations, wherein the unions of skilled labor come naturally to the top and take the reins of power. Unskilled labor, comparatively ignorant and distrustful of its employers, will, in time, follow the guidance of skilled labor, and this is always conservative.

Such an association as the Knights of Labor, which, because of its comprehensive character seems to threaten so much danger, presents the very safeguard which society needs. So far from standing aloof from the Knights of Labor, it seems to me that all employers of labor ought frankly to recognize this order as an invaluable ally. Its principles are, upon the whole, excellent. The present head of the order may possibly lack the genius of a Napoleon, but his judgment is, upon the whole, sound, and his spirit temperate, and he may turn out a Wellington. What could be more excellent advice to our workingmen than that which he has given officially in the secret circular which lately came to light. He is fighting within this National Order the battle of society with the lawless elements which are threatening rebellion. That order has already prevented hundreds of strikes, and for its own preservation will tighten discipline, so as to stop local assemblies from precipitating general contests. As it seems to me, employers cannot better help themselves, and society through them, than by lending encouragement to such leaders of the ranks of labor as are honestly striving to turn the immense power of such an order into channels where it will drive the wheels of reform, rather than let it pour forth in floods of anarchy and revolt over the fields of industry. It is true, as the New Jersey Bureau of Labor declares: "Increased organization, whether of masters or of men, or of both, means decreased war." Just as international war is becoming so frightfully expensive, so unmanageably huge as to make for peace, so it will be in the strife between capital and labor.

The best work of these labor organizations, however, I look to see in other fields than this of war. They can become invaluable educational instrumentalities, immense mutual assurance leagues, bureaus of information concerning the labor market, omnipotent agents in our politics—correcting the present partial legislation, guarding the just rights of labor under law, securing a free field for the natural equation of the problem of wages—and they can prove the nuclei for the great co-operative association out of which, if ever, the dream of a Co-operative Commonwealth is to realize itself.

Toward organizations discharging such functions there is no need of hostility, and I pray you do not set your faces against them. They have come to stay. Upon your attitude toward them largely depends their attitude toward you and toward society. In simple



self-preservation you must resist vigorously the dictatorial and tyrannous methods which they are at present so largely using. To do this it may be needful for you to combine, as in so many lines of industry you are doing, but let me urge upon you to proceed slowly and cautiously. Act not from feeling but from judgment and conscience.

As I watch the signs of the times, the greatest danger that I see is in the precipitation of a strife over these organizations such as our country has never known as yet. Within the last fortnight I have observed perhaps a dozen notices of the formation of associations among employers of labor, looking to actions which seem to me certain to make not for peace but for war. A day or two ago I read that one hundred manufacturers of Chicago had determined together to reopen their shops on Monday, offering ten hours' work for ten hours' pay, and inviting back their men who were out on strikes; declaring that the failure to return within a week would put the names of absentees upon the "black-list," which would bar them from employment in other factories. The *Nation*, from which I had this item, remarks: "This system of self-defense is growing popular." Popular doubtless, but unspeakably dangerous.

It goes without saying that manufacturers have the right to black-list incorrigible hands, men who have proven themselves hopelessly vicious. That is the right of those whose interests are common to protect one another against their common enemies. But how easily may this right pass on into a frightful wrong! How quickly may it become an instrument of tremendous tyranny! How readily may it be used by superintendents and bosses, whom you trust, to punish private quarrels! How natural that mistakes shall be made concerning the men who are thus proscribed! How inevitable that it shall mass in the labor market a growing host who bear the mark of Cain upon their foreheads, who find no avenue of employment open to them, who face starvation, and thus becoming desperate turn their hands against society, who feeling themselves outlaws, act as outlaws! How certain that labor at large will espouse the cause of men whom it will judge to be martyrs, forgiving them their follies and crimes because they are of themselves, backing them by the power of its organizations, answering the black-list with the boycott. This is the danger in the most guarded use of the black-list. What then the unspeakable danger in any such use of it as that which I hear spoken of among you? To assume to black-list men because of their connection with labor unions—is to throw down the gage of war. Ironclad contracts and similar devices to shut out men who maintain their affiliations with labor organizations are simply so many challenges of defiance to a power which needs to be conciliated and wisely guided into paths of peace, rather than to be inpu-

riated into open rebellion against society. Mr. Andrew Carnegie declares: "the right of the workingmen to combine and to form trades-unions is no less sacred than the right of the manufacturer to enter into associations and conferences with his fellows, and it must be sooner or later conceded."

You can fight labor organizations if you will, my friends, and perhaps you can crush them—though I doubt that. But have you seriously contemplated what such a war means? If not, before you go further, I pray you, in the name of humanity, to sit down and study out the issues of the campaign upon which you are about to enter so lightly.

VIII. I show unto you a more excellent way. There should not be this strife between employer and employee. Do buyers and sellers think of organizing themselves into hostile armies? In the economic aspect of the matter, employers and employees are simply buyers and sellers of human labor. Is it not possible that this bargaining shall be carried on as between human beings, calmly, fairly, peacefully?

There is a higher aspect of the matter, however, than that of economics. The present trouble grows out of the fact that a necessary human relationship has been degraded into a mere bargaining of the market. It is just because this human relationship has had the soul left out of it that its economic body is developing such a dangerous disease. The same Chinese sage whom I have already quoted, wrote again: "Let the people be employed in a way to secure their happiness; although wearied they will not murmur." Employers of labor have neglected the happiness and the welfare of their people, and hence this murmuring. You can easily take the wind out of the sails of agitators.

I like to use a Faber lead pencil, not only because it is the best pencil that I can find, but because its excellence continually brings up to my mind the admirable establishment which produces such work; the great industrial village of the Fabers in Bavaria, where brains and wealth seek not only to use labor for higher profits, but to lift labor to higher levels of life. The Messrs. Faber are distinguished for their philanthropy and for their close attention to the moral and physical welfare of their employees. At their own expense they have established schools and kindergartens, built churches, founded libraries, archer clubs and other organizations for the recreation and the improvement of their workmen. All the actual necessities of life are purchased by the firm at wholesale, and can be so bought by the men. A savings bank encourages the habit of thrift, and a hospital provides for those who may be disabled, and in old age a small pension secures them from absolute want. Each family may own a home of its own, paying for it in installments in the form of rent. It is needless to say that strikes are unknown and that mutual trust and good-will prevail.

Now, this establishment is simply the type of a host of similar establishments which, thank God! are springing up in every land, under the large-brained and large-hearted management of men whose names will go down to posterity as the truest philanthropists of our age of philanthropy. Such honored names are becoming familiar in our own land. One of our own citizens testified before the late Senate Committee on Education and Labor, as follows: "We are employing in the neighborhood of four thousand people. We endeavor in all our intercourse with our working people to treat them as human beings, with kindness, and consequently it is very seldom indeed that we ever have any labor disturbances. \* \* \* We frequently give them a holiday or an excursion at the expense of the firm. \* \* \* We provide them with medical attendance free of charge; and the senior member of the firm has lately given instructions to engage a suitable building for a library and to supply it with a large number of volumes for the benefit of the factory hands without any cost to them. He has under contemplation the propriety of giving them the benefit of free schools at night."

There is a yet higher development of this relationship, in which I find the secret of peace and prosperity. The vice of the present wage system is that it puts the two parties to the bargain on the opposite ends of a seesaw; whereon each side tries to go up by making the other side go down. What is needed for peace and prosperity is to induce some identification of interests, instead of this antagonism of interests. We need not concern ourselves about the ultimate form of the industrial order into which the wage system is to develop, but we may well concern ourselves about the next step forward, in making capital and labor partners instead of enemies. That step forward is what is now known as Industrial Partnership or Profit-sharing—the allowance to the employees of some share in the profits of the establishment, over and above their wages, and *pro rata* to their wages.

This is no dream of the theorist, but simply the common sense principle of securing harmony of interests, and thus the greater productiveness which comes from putting "heart" back of the hands. It is already in operation in a considerable number of establishments in our country—the most notable experiment being in the gigantic Pillsbury Flour Mills of Minneapolis. Whatever may be said of this experiment, this is certain—as Mr. Rowland Hazard writes of his venture in the Peacedale Mills: "It pays as a lightning rod." The man of brains and wealth who will reproduce upon our shores the superb success of M. Godin in Guise; who will organize an industrial establishment in which his employees shall have the benefit of a model town, while they are being trained under his own direction into the ability to manage the company after he passes away, as their own property bought out by

their gradual purchase of its shares—that man will be hailed by the coming generations as the savior of society.

Men of brains and wealth, to whom God has given the highest power on earth, the power of leadership, to you I appeal—to your calm reason, to your conscience turned upward unto the face of God. Make yourselves true Captains of Industry, and organize not the war of destruction of whose glories the past has sung, but the peace of production, whose glories the future will sing, while angels bend low from the skies in the chorus: “Peace on earth, good-will among men.”



## CAPITAL'S VIEW OF THE SITUATION.

"Hear the other side" is a good old rule for an amicable adjustment of differences. It is a rule which each party in the contest between capital and labor needs to apply to the debate in hand to-day. In this case, as in every other case of which I know anything, there are two sides to the question.

As I tried to give last Sunday labor's answers to capital's complaints, so let me try to-day to give capital's answers to labor's complaints.

I. Unskilled labor says bluntly to the capitalist: "I am poor. I am wronged in being poor. Somebody has done me this wrong." With you, my friends, in the ranks of labor, I believe you *are* wronged in being thus poor. There is a fault somewhere. As Tregarva, in *Yeast*, said, when watching the life of the peasantry in an English village: "Somebody deserves to be whopped for all this."

Perhaps there are several parties to share in this whopping. Capital asks: "Are you quite sure that one of them is not the man whom you face in the looking-glass?"

In that you stand in the ranks of unskilled labor you confess yourself to be comparatively uneducated. This may be chiefly your misfortune. In so far as it is, you have the sincere pity of all men who have had better opportunities. But is it in no sense your own fault? Have you used the advantages offered in our country and educated yourselves for higher occupations? If not, blame yourselves first of all. There is always room at the top. The really skilled workman has rarely any need to answer advertisements. Even so-called skilled labor is often most unskillful. He who has need to employ mechanics of any kind knows how constantly he must keep his eye upon many of them, to prevent them from making most stupid mistakes. For such men, despite our pity over them, there can be but poor wages, in the present state of things. High wages for poor work would put a premium on ignorance. Nature will see that we don't stand thus in the way of man's education. Should we try to do so, she will starve society back into general poverty very quickly.

In that you are of our race, you may be unconsciously guilty of that veritable original sin—laziness. I have stood in Central Park watching laborers trundling their barrows, and learned unsuspected lessons as to man's capacity of approaching the pace of a snail. I have had some little opportunity of employing unskilled labor, in my wee bit of a garden, and have been profoundly impressed with the disposition of the lads I have hired to do just as little as possible in order to draw their wages. Success is possible in no line to men who work with such a spirit. They must always remain far down in the scale of labor, and be paid according to their deserts.

In that you are like us all, you may be, without knowing it, very improvident. Every housekeeper who is worthy of the name knows the truth of this as touching poor women. Her girls will waste materials in a fashion to nearly drive her crazy, and then complain of her meanness when she tries to rebuke their wastefulness. Every employer of unskilled labor, and for that matter many an employer of skilled labor, knows how reckless the hands are of those small economies, those minute carefulnesses which count so heavily in the aggregate, in the mill and factory and workshop. There is not an employer of labor to-day who could not well enough afford to increase the wages of his hands very considerably, if together they chose to be as careful as they readily might be of his materials. The old adage is true: "Willful waste makes woeful want."

You might save enough in your foods alone to amount to more than the equivalent of the increase of wages which you desire, if you were at pains so to do. It sounds hard when you find Mr. Edward Atkinson giving you tables of the lowest cost of living. Such figuring may be used as an excuse on the part of avaricious employers to crowd down your wages; but, for you, it is the part of common sense to learn how you can make your money go as far as possible. Of course, a generous diet is necessary for effective work, but the essential elements of nutrition can be supplied in vastly more inexpensive forms and methods than are common among us all. Think of grand old Carlyle writing some of his greatest books upon a diet of oatmeal porridge, and do not talk about its being necessary for you to have the finest cuts, as a butcher of our city told me many of our workingmen insisted upon having.

Some of your habits, my friends, are even more inexcusably wasteful. The drink bill of our country is some \$700,000,000 per annum, a very considerable part of which labor is paying to-day. Men who strike for higher wages can find enough generally for whiskey and tobacco. In reading the testimony of intelligent workingmen, I have been impressed with the recurrence of the opinion that one of the first things to do to better the condition of labor, as a whole, is to reform its drinking habits. Suppose, as Mr. Powderly advises, you boycott drink.

Lest you should think that I am speaking from an unsympathetic position, let me quote the opinion of an intelligent and thrifty man, who has worked in a mill from boyhood: "If the wife of the factory worker would practice the same economy practiced by an average mechanic's wife, she would be just as able to make both ends meet without going to the mill. The native American has a pleasant sitting-room with carpet and pictures, and piano or organ, and a cozy home-look everywhere, while many a mill operative, with the same wages, lives in a tenement house

with bare walls." That this is not the opinion of an individual, let the following fact testify. A study of the comparative earnings and savings of labor in Massachusetts and in England shows that, while labor in Massachusetts earns forty per cent. more than labor in England, it saves only four per cent. more. Make what allowance you will for the imperfection of statistics, for our higher cost of living, for our larger social wants, and there remains still a most impressive lesson in this fact.

In simple justice, I must say these hard truths before passing to other matters. They are preached so much to you workingmen that I do not wonder you grow restive under such preachments. They are used to cover up the back-lying facts of the situation to which I referred last Sunday, to hide the large forces that are working against you in our industrial society. I do not use them in this spirit. I recognize that the conditions of our life to-day, in many respects, induce these very faults in you; so that I pity while I blame. I recognize, also, that when you have educated yourselves and become industrious and thrifty, you will then be far from having solved the labor problem; you will have then simply qualified yourselves to grapple with that problem in its harder form. But this I say, with the utmost kindness, with the profoundest sympathy, but with the frankness of truth—there is no help that can come before self-help. There is no conceivable condition of society that can give you what you need, and what abstractly you ought to have, until you first make yourself fit to receive higher pay by intelligence and industry, and fit to use that higher pay by habits of thrift.

II. Unskilled labor puts this complaint concerning its poverty in a still more direct form against the employer of labor. It says: "You are rich and I am poor. As I am working for you, you have probably grown rich out of my labor. You have made me poor." In this form, the feeling does not articulate itself into any definite proposition concerning the relation of profits and wages, but it is simply a vague, blind suspicion of wealth. Now and then you will hear it blurted forth in such a wild, mad outcry of envy as Mary Parson's speech in Chicago the other day.

With you, my friends, who stand in the ranks of unskilled labor, I feel that there is a wrong in the fact of much of the wealth that confronts you to-day. But, with the capitalist, I think that the wrongful wealth is not his but the other fellow's—the man who is neither capitalist nor workingman, but the enemy of both.

There are by law allowed certain monopolies of the natural resources of the earth, which create vast fortunes that will bear no ethical examination. There are hosts of men, by courtesy called business-men, who are engaged in no legitimate form of business, who are simply preying upon the world of industry and trade, injuring capitalists and workingmen alike. There are gamblers



down-town, and not a few of them, whose names are well known in our community, who are distinguishable from the "blackleg" simply in that they deal with stocks instead of dice, and frequent the street and Exchange instead of hanging over the pool-table. Thus some of our greatest fortunes are accumulated, but they are the accumulations, not of the legitimate business-man, but of the speculative thimble-rigger. There are those who neither build the good ship of industry nor sail it, but wreck it. The railroad wrecker has come to be a well recognized form in our society. He has cultivated his business into a fine art and reduced it to a science. He has given it high sounding names and clothed it in garments of respectability. None the less, when analyzed, it is the business of the wrecker. There are, in forms too manifold to trace, the operations of our modern freebooters, who harry every field of industry and trade and pile up their colossal wealth out of the ruins of honest toil, whether of brains or brawn. Capital and labor are equally suffering to-day from these vampires of the business world. These are the men whose openly immoral wealth is teaching labor to regard all wealth as criminal. These are the men who are breeding thunder-storms in our midst, and preparing cyclones which may sweep over our land at any time in devastation.

But, my laboring friends, do not make the mistake of confusing such wealth with the wealth of legitimate business ; do not identify the gambler and the wrecker and the bucanier with the capitalist. Many employers of labor may also be monopolists of some natural resource, or they may be engaged in side speculations, and thus their wealth may be chiefly not that of the capitalist but that of the monopolist and speculator. Remember, I pray you, that there is no capitalist class in this country, no hard and fast lines of an employing caste. The capitalist of to-day was the workingman of yesterday. Nine out of ten of our great employers of labor were themselves employed by others but a few years ago. I was speaking a few days since to a gentleman who employs four thousand men, and he said to me : "Have we not all pushed our way up from the ranks of labor ?" This is the glory of our country.

Now these men who have risen to be employers, rose by cultivating their minds, and improving their opportunities to fit themselves for higher positions. They have climbed the ladder by hard work. As I grow older I may perhaps grow harder, but I certainly grow more convinced of the fact that the difference between men as to outward success, is largely a difference of disposition and ability for hard work. Successful lawyers and doctors and clergymen, as well as successful manufacturers, are the men who can slave at their work, while their friends loaf and dawdle. The men who have risen are the men who have from the beginning practiced abstinence, who have cultivated simple economies, who have determined to save enough to get ahead. One of our most successful bankers told me



that from the time when he began as a clerk it had been his rule always to keep within his income and to salt something down. Political Economy is right in teaching that capital, originally, is the fruit of abstinence, and that its legitimate profits are the rewards which society pays to the men who deny themselves in the present for the sake of the future.

Doubtless it is becoming ever harder for men to rise out of the ranks of labor, as the stress of competition becomes fiercer, as the plant of any industry becomes more costly, as the processes of manufacturing become more subtle, and as the conditions of the market become more involved; but the way upward is yet open for any man who has the clear grit to rise. Doubtless this very capacity, in which lies the secret of success, is one of the richest gifts of nature—the boon of the few and not the common heritage of the many. Those who have it must then look down from their superior advantages with tender human sympathy for those who have come into life dowered with a mortgage from the ignorance and dullness and feebleness of earlier generations. On the other hand, labor must recognize that the foundation of the wealth won by employers of labor is laid by these honest qualities, which entitle them not to our hatred but to our admiration and imitation—at least as touching these characteristics. Garfield said that his career opened on the day wherein he read an essay of Emerson, of which he remembered nothing but this one saying: “We are all of us as lazy as we dare to be.” The hard look of life is largely the discipline of Mother Nature to forbid our daring to be as lazy as we wish.

III. Skilled labor puts its complaint against capital more definitely and personally. “Labor,” it says, “is the creator of all wealth, therefore, it ought to get all wealth. Labor is wronged to the extent of capital’s profits.” This is the pith of German Socialism, in its more radical forms. You will find it clearly stated in Gronlund’s “Modern Socialism.” If this be true, then the term which Gronlund applies to the profits of capital is literally accurate—they are “fleeings.”

Now in what sense is it true that labor is the creator of all wealth? In a general sense it is indisputable, but in this sense it is axiomatic. The raw material of all wealth is found in the earth—the land and water. None of the products of the earth, however, constitute wealth, save as labor is applied to them. The pioneer has to fell the trees that grow in the virgin forests, and catch the fish that swarm in the waters, and hunt the game that roam through its glades. From this point, the amount of labor necessary to produce wealth increases as man’s wants multiply and rise.

In our state of society all wealth is the result of three factors—land, capital, and labor. One must have land to cultivate or on which to plant his factory; he must have capital to buy seed and agricultural tools and to put up fences and barns, or to rear the fac-

tory and stock it with machinery; and then he must have more labor than his own pair of hands, to work his farm or to run his factory. One man may own the land, while another may supply the capital, and many others must contribute their labor. The profits of the enterprise must then be divided, in some ratio between these three partners. Land does not come into our consideration at present, as the immediate disturbance is between the other two partners, capital and labor.

What then does labor mean when it declares that it creates all wealth? It surely cannot mean that, as between the individual employer of labor and his several laborers, the whole wealth of any industry is created by the laborers. The most hobby-ridden theorists must admit the fact that the employer of labor contributes a very essential part to the production.

The building in which the hands gather, he has reared, and the machinery which stocks the building, he has bought and set up. He is entitled to his interest on this plant. There is risk involved in this outlay of capital, and this must be secured by insurance.

When the plant is established, the business must be organized and directed. This labor of superintendence is entitled to its wages. This is genuine labor, though the labor of brains, and essential to production. To make a success of any large enterprise to-day, there must be a genius of command which is no more common in industry than in war. There must be a knowledge of men and of affairs, which few of us possess. There must be the capacity to sweep in a bird's-eye vision a market which is becoming as wide as the world; to forecast tendencies, to form correct generalizations, to decide with unerring judgment questions which are subtle and complicated and which, for the most part, cannot be reasoned out but must be divined instinctively. There must be immense resources of push and enterprise, unfailing supplies of energy, indomitable perseverance and a host of allied qualities. There must be added to all these qualities a minute and exact knowledge of the processes involved in the industry in question. I know of one great manufacturer who understands personally every process carried on in his great establishment, and is able to step into any department and with his own hands do what is there to be done.

The absence of any one of these qualities may make the difference between failure and success; that is, between no profits at all and large profits; that is, still further, between no wages, or possibly low wages, and high wages. All these factors go to the making of any wealth in industry, quite as much, to say the least, as the toil of the hands. All must be paid for. Their pay is drawn in the shape of profits. In taking this pay there is no wrong done but simply justice rendered; no robbery committed but service paid.

The function of brains in industry is increasing all the time, as our processes become more refined and subtle and complicated,

and as trade becomes larger and more complex. Science and Art are increasingly entering into industry and in the truest sense making the value of the products turned out from the factory. There are hosts of industries to-day where the most important factor is the chemist's knowledge and skill. What makes one brewery turn out beer that everybody wants while another brewery turns out beer that nobody wants, is a secret of chemistry—a secret which the one party has found and the other party missed. In the one brewery there is a thriving business, large profits and high wages; while the other barely covers expenses and is compelled to reduce wages, and at last to close up. Cannot the workmen in the successful brewery see that what puts work into their hands and wages into their pockets is the product of brains more than of brawn; that the wealth is in the last analysis produced by thought rather than by muscle? I pass sometimes a great establishment near Broadway, which has acquired a national reputation for the beauty of its artistic designs and the thorough workmanship of its wares, and I never do so without thinking of the great-brained man who literally put his life into that establishment, coining his fine thoughts into stuffs which everybody wants and for which everybody is willing to pay high prices. Cannot the workingmen in the great factory which feeds that store understand well enough that, however cunning the skill of their fingers, they never would have the wages that they get but for the more cunning skill of the mind of the artist whose genius built up that great establishment?

How pitiful then sounds the folly of such talk as one hears in many a labor meeting to-day. One of the best known labor champions, in a little pamphlet which has had a wide circulation, I believe, speaks of the large profits which employers make—"without doing anything but superintend the work." Thus the seaman, clinging to the rigging in the midwinter's gale, may look down upon the captain, standing calmly on the bridge, while the great steamer ploughs her way through the fog banks, and say to himself: "That man is robbing me by pocketing ten times my pay without doing anything but superintend the ship." Thus the private, tramping across heavy fields, may look up to the general, as he rides by the column, with envious eye, and say to himself: "He gets thousands a year for doing nothing but superintend the army." But then, seaman and soldier, in talking so, would be very foolish, would they not? When you do any job, my working friend, that pays you well, which does the most labor, your head or your hands? Apply the parable to the body social, and be sensible enough not be carried away by such folly as Mr. Martin Irons contributed the other day to the Congressional Committee. "What do you think," asked one of the committee, "about labor producing wealth?" To which this worthy would-be dictator of American workingmen replied: "Labor produces everything, and capital produces nothing."



IV. Labor when sensible—and our American workingman on the whole is as level-headed as any other member of the community—cannot but admit that capital is entitled to its share in the wealth produced by industry. It insists however that capital gets too big a share. It says: “You employers of labor ought to be paid, but you are too highly paid. We must cut down your pay.” This is plainly a matter to be determined, first of all, by hard facts. As I said last Sunday, we have not the data upon which we can decide off-hand this question of the present relation of profits and wages. We have plenty of figures, such as they are, but they are unreliable. It is entirely too soon, therefore, to go on to raise the other question, which is being so fiercely mooted in certain quarters, as to the justice of capital’s profits. We should first know accurately what they are, before we try to determine what they ought to be. I am quite prepared to admit with you, my working friend, that capital probably does get, at many times, and in many lines, an utterly disproportionate share of industry. But, on the other hand, capital replies: “Do not judge all by a few; do not judge all years by some years. Some of us are making large profits and others of us are making nothing. In some years we all make handsome profits and in other years we all lose heavily.”

These are cold, hard facts, which every workingman is capable of recognizing for himself. How many an employer to-day has locked up in his costly plant the fruit of years of toil, getting from it all barely enough to cover expenses, and utterly unable to sell out as he would be so glad to do. One who is listening to me as I speak, situated after this fashion, went to his hands, a year or so ago, and offered to make over to them the mill, as it stood, if they would form an association and guarantee him 6 per cent. on his investment. They declined his offer, and were probably wise in doing so. Have you any idea, my friends, how many manufacturers not only make nothing but lose everything? One of our great dailies stated recently that about 95 per cent. of those who go into industry fail. In trade and commerce, I believe, about 97 per cent. fail. Now are you going to judge the 95 per cent. in industry and the 97 per cent. in trade and commerce by the 5 and 3 per cent. who succeed? You would be far less sensible than I take you to be if you do.

But, granting that capital’s profits are high, you must recognize the fact, my friends, that we have all to pay high prices for the best things. You can get a coat that will fit you like a bag and will drop to pieces on your shoulders for next to nothing, but if you want one to fit you gracefully and to last long you will have to pay well for it. You artisans and mechanics can get helpers for a song—but you will probably kick them out of the way before the day is over. They will hinder you more than they will help you.



You can hire superintendents of a sort very cheaply. There are lots of men standing idle in this city who think that they have brains enough to run the biggest industries, and that the world has utterly failed to recognize their genius. Suppose a few hundred of you club together and go into the capital market to-morrow and employ one of these uncrowned kings of industry, that "the rod of empire might have swayed." How far will he lead you to financial success, in the terrific strife of competition, out of which only the best brains and the strongest wills are wresting victory? You are altogether too sensible to trust yourselves to any such sort of brains, however cheaply you can get them. If then you want to hire the best brains for your superintendence you will have to pay for them proportionately to their superiority. The best brains must always have the highest prices. Their scarcity and service fix their figures. To which part of your body does nature send its fullest flow of blood? Which does it build up at greatest cost to the system? That little mass of coiled, gray tissue which you call your brain taxes the body infinitely more to produce and maintain it than both hands with all their fingers.

There is a hard look in this statement. But then there is a hard look in nature, too, my friends—not the hard look of an unfeeling tyrant, but the hard look of a mother who loves us enough not to pamper and coddle us but to whip us into effort and to diet us into health. Apart from all their other and higher functions in civilization, brains, as we have seen, form the chief factor in the production of wealth. Just as the struggle for existence becomes harder, so does the necessity of more brains and stronger brains become greater. Nature puts her premium on the development of brains by rewarding them higher. When a gardener wants to force forward some Black Hamburgs, he enriches the soil and stimulates the growth of the vine, and by the craft of his art turns the energies of the organism into the direction of grape-bearing. Society does precisely so with the growth of brains.

I do not at all mean to say that capital may not take an excessive share of the profits of industry. This is a question to be determined between the two partners in all industry, and it ought to be determined calmly and peacefully, like all disputes between sensible men, and would be so, doubtless, were the condition of one of the parties not so often helpless if he retired from the business. Society ought then to secure for you the conditions in which you would find a fair field on which to contest this issue, while it re-enforces the moral sense of the employer by the pressure of a public opinion demanding justice.

V. Labor puts in one final complaint against capital. "Granting," it says, "all that capital has replied to my previous charges, it remains indisputable that we are natural enemies, one of the other. The rewards of our conjoint industry have to be divided

between us, and profits and wages must therefore stand in an inverse ratio to each other. Whatever my employer makes, I lose; whatever I make, my employer loses. Our interests are antagonistic. They cannot be reconciled by any soft, smooth talk."

There is, of course, a certain truth in this complaint, but it is an exaggerated truth. That truth is simply the fact which is common to many other relationships than that of capital and labor.

Every time you enter a shop to buy some thing, you and the shopkeeper stand over the counter in very much the same relation in which you and your employer stand. You two are buying and selling; each one trying to make the best bargain for himself; each one knowing perfectly well that whatever the other man makes in the bargain is made out of him; and yet you do not leap at one another's throats as mortal foes. You are a seller of labor and your employer is a buyer of labor. A perfectly equitable bargain is of course to be desired; but it is to be sought in very much the same way that a bargain in the shop is sought. There is just such an inverse ratio between profits and wages as there is between the shopkeeper and the customer. If these parties manage to carry on their bargainings in a friendly way, why should you strike an attitude of irreconcilable antagonism toward the man who seeks to buy the labor that you offer for sale?

In every firm, the partners stand in the same relationship in which you and your employer stand. Five lawyers in a firm must needs divide in some proportion their joint profits; but they do not dream of counting themselves one another's enemies because what each one takes from the common income of the firm has to be deducted from the sum divisible among the other four members. They do not take one another by the throats as sworn foes, but rather join hands to make the biggest possible amount for the firm; content to divide up according to the relative services of each one; the senior member, whose name and experience and ability float the firm, taking naturally the lion's share, but securing for each junior member an income which he could not of himself have won.

The fact is that you and your employer are in as real a sense partners as the members of a legal firm. You are working together to make common profits, which then of course ought to be divided between you in the ratio of your services to the common concern, just as the profits of the legal firm are divided. It would be very well for you if you could draw at once the profits of capital and labor, as it would be very well for the young lawyer if he could draw at once the profits of the senior member of the firm with his own profits as the junior member, just taken into partnership; but if you must have a partner, you must be content to give him his share, and be sensible enough to work together with him heartily as an ally and not as an enemy. This is precisely the position to-day.

Whatever may be the future of the firm of capital and labor—and I for one certainly believe that the silent partner must be taken into a larger share in the concern—as long as it is a firm, so long that is as capital and labor are two parties and not one, so long will it be the part of common sense to recognize that the firm's interests are common interests, that both parties *are* partners, and that the more that they make together the more there will be to divide up between them.

With all my heart I wish that you could dispense with the capitalist to-day and be your own employer. Society at large must wish this, because it would be for the greatest good of the greatest number. Dispense with him just as fast as you can. But while you need him treat him squarely as a partner. Are you ready now to dispense with him? Have you money enough laid by to break up the firm and set up for yourself? Estimate the cost of the plant in your factory, and answer this question for yourself. Have you collectively, in your labor organizations, sufficient savings to drop out the capitalist from the firm? I suspect you often have, if you only knew it. A certain savings-bank in Lowell had large deposits from the workingmen of the city. They lay there, drawing their small interest. There came along a bright, enterprising man, having little money, but the ability to use money—one of the capitalizers who are rapidly becoming a distinct class in the country. He borrowed a large sum from this savings-bank and set up a factory, into which came many of the very men whose deposits he had lumped together and used to make himself an employer of their labor. Might they not have associated themselves and become their own employers or might they not have hired him as their manager?

The probable reason that they did not make themselves their own employers was that they were conscious of lacking the power of association necessary for such a business, and the individual energy and experience and power of command essential to its success. It is the lack of these factors which has made co-operative production so slightly successful hitherto. There must be a head to a factory, a head with natural powers of command. An army cannot well be run by a committee. That method of management has been tried in the face of the enemy, and the results have not been very brilliant. Would you like to trust yourself on a trans-atlantic steamer, that was sailed by a committee of the crew? In some form or other, for years to come, industry must find natural leaders. Those leaders may hire their men or their men may hire them—as our workingmen doubtless will come to do, when they have developed their powers of association higher.

Until that time, they must of necessity be content to be taken into silent partnership by capital—that is, by the few men who have laid by enough to found the costly plants that are essential



to modern industry, and who have developed mental power enough to organize and manage the large and complex affairs of modern production. Until the time comes that you can offer yourself work, somebody must offer work to you. Is the man who now offers you the work in which you are to find bread and butter your enemy, or is he your friend? What will you do just now without him? Suppose you make the firm too hot for him? He can go out of the business, and live perhaps on his income or turn his principal into some other enterprise. What are you going to do if you break up the firm? In the present state of society your condition would be helpless. The fact that it would be so is one of the most alarming features of our social order; one that calls upon us all to see that it is corrected, so that the natural equation of the problem of distributing the rewards of industry may be worked out freely and fairly. But, meanwhile, do not shut your eyes to the facts of the situation.

Will it pay you to make it so hot for your employer as to disgust him with the concern? You can doubtless worry him well-nigh to death, but how much will that increase the productivity of the firm in which you are a partner? A certain woman, who has some prominence among the Knights of Labor as an eloquent champion of the order, in the course of a recent conversation kept repeating with a malicious tone the refrain: "We can injure the manufacturers." Judging from the action of some of your associates over in Long Island City lately, this sister seems to have expressed your views of the way to bring capital to terms. Doubtless you can all injure the manufacturers, but have you worked out in your minds the problem of how their injury is going to benefit you? Are they to be thus made more friendly to you? Are they to be thus made more able to allow you bigger wages? You can ruin them if you will—but then when they close up their mills where are you going to be? Do you make much by lying idle? My hands can easily enough injure my head, and knock what little brains I have into a very inactive condition, but I am not aware that my hands will be any the richer in warm, red blood or in supplies of nervous energy, because of this heroic treatment of my very defective head.

So long as you are obliged to seek an alliance with capital, remember, I pray you, that, as Chief Arthur lately assured you, your partner has rights that you are bound to respect, and which you must needs respect if you expect him to work with you.

Your employer's plant is his property. You have no right to injure it.

Your employer has the right to control the business that is carried on upon the plant which he has provided and by the knowledge and experience which he supplies. It is not fair to expect him to carry on the business in which he has risked his capital by

the dictation of the men who may be with him to-day and may have left him to-morrow.

You have a right to refuse to work for him if the terms are not made satisfactory to you; but you have no right to impose yourself upon him against his will. I believe thoroughly that labor has the right to claim from society at large that it shall have a chance of being employed by others or of finding employment for itself. That is the right to "life" which is one of man's unalienable rights, according to our Declaration of Independence. No people can afford to have a large body of labor shut permanently out from the opportunity of self-support. But this is quite a different question from the right of the individual laborer upon the individual employer.

Your employer has the right to seek other labor, if you cannot agree with him as to terms. You have no right whatever, legal or moral, to shut out from him other men who may be standing without employment, and who are ready to accept employment upon the terms which he offers. I understand well enough your idea in committing this mistake. As I have already intimated, the existence of a large body of unemployed labor is a constant menace to labor at large. All who care for the welfare of labor should join hands to secure some means of minimizing this danger. But if there be other men in this city willing to take the place of the strikers on the Third Avenue road—however unjustifiable the action of the company may have been—the conductors and drivers who have left the employ of that company can keep them out of such work only by a direct encroachment upon the right of the employer.

The employer has a right to demand that, if you are dissatisfied with the terms of partnership, you shall not break up the partnership firm without due notice, and never without an attempt, first of all, to effect a peaceful adjustment of any differences. This is the simple, necessary law of any partnership—without which its continuance is impossible. You have the perfect right, my friend, to strike. You can often win your point by striking. The notion of most people that strikes are almost universally failures you know to be far from the fact. The last Report of the Bureau of Statistics of Labor of our own State shows that out of 222 strikes in the city last year only 34 failed, while 59 are still pending and 129 have succeeded, in whole or in part. But you ought to feel more keenly than any one else the frightful cost with which such success is won. Do you think that the increase of wages won by the strikes of this year has counter-balanced the loss of wages caused by the idleness of the strikers? Strikes, as the habitual method of enforcing the demands of labor, would be ruinous to the production out of which all wages must come. Let a chronic state of striking be induced and how much capital would

be invested in industry? Already the business boom which was anticipated for this spring has been lost by capital's fear to take up any contracts in the present attitude of labor. How much more will the aggregate production of the year have to divide between the industrial partners by this epidemic of strikes? The strike may and probably must be the last resource of labor, just as war is the last resource of nations. But, like war, it is too costly to resort to without first trying other means of adjusting differences.

Your employer has the right to the good-will of his business. You have doubtless the right to use moral suasion to draw away custom from him, and to thus punish him for his bad treatment of you; but you have no right whatever to step beyond the limits of moral suasion and, by the tyranny of public opinion or by the fear of physical violence, drive away his custom from him. The boycott is a weapon of tremendous power, doubtless, but it may become the power of a reign of terror. In some of the forms in which it has been used lately it is a direct interference with the proprietary rights of a business, which law cannot allow. In these forms, it is an un-American method of redressing grievances, which this people will always be quick to condemn, as has been seen this spring when our citizens rallied to the support of Mrs. Gray.

Your employer has the right to demand that you shall not arbitrarily limit his power of production. You have of course a right to say how many hours you will work for him, and to decline to work beyond that time; but you have no right whatever to deny to him the use of his plant beyond the limit which you fix for yourself, nor to deny to other workmen the use of their power of labor to any extent that they may feel disposed to use it. The employer's right here will prove to be your interest.

There is no greater fallacy current among our workingmen today than the notion that they can improve their condition by lessening the production of the country. On every hand one hears the talk that what is needed is a better distribution of wealth. Doubtless—and let us all join to aid in this more equitable, more brotherly distribution, by the force of public opinion and by law, wherever it is possible to use the strong hand of legislation wisely. But that which first is needed is greater production—that is, more to distribute fairly. Do you think we have enough to satisfy all wants, in our present aggregate wealth? Were our present annual increase of wealth divided up equally among our people, every man and woman and child would get 50 cents a day. Is that your idea of the millennium? Would we not have a little jollier millennium if the share to each of us was a dollar a day? You have the right to eat no more than half a meal—but you do not dream of growing fat upon this right.

But I may not push these illustrations further. What is



needed now is that labor and capital shall recognize each in the other a partner—an ally and not a foe, a friend and not an enemy; and that they shall work together for their common good.

I maintained last Sunday the right of labor to organize on behalf of its just claims, and therefore, I may to-day, with the greater frankness, urge labor not to turn the mighty organizations which it is developing into mere means of attack upon the power which after all is less a rival than an associate. I warn you, my friends, distinctly, that if some of the methods which you are pursuing at present are persisted in, you will goad capital into opposing organizations—whose power will be more tremendous and may be more despotic than anything you have hitherto confronted. Watch your papers and you will see the signs of the times. If you have such difficulty in contending with capital when it is unorganized, what will be the task of grappling with employers when they are banded together in compact association?

VI. I have thus sought to-day to pass in review labor's complaints against capital and capital's answers to those complaints. Labor feels itself wronged by being poor—it is urged first of all to right the wrongs which it is committing against itself. Labor looks with suspicion on wealth—it should distinguish between the legitimate wealth which the employer wins by honest industry and the respectable robberies of the freebooters of the business world. Labor claims to create all wealth and demands its rights—it must learn that brains as well as brawn work, that capital as well as labor produces, and be content to share the rewards of the common toil. Labor complains that more than a fair share goes to the employer—it is reminded that brains are dear and that it must expect to pay highly for the high quality of the service rendered by the employer. Labor insists that capital is its natural enemy, between whom and itself there must be strife—it is pointed to the fact that the two are partners, who should work together for their common interests.

At the close of the Franco-Prussian war, Ernest Renan addressed an impassioned appeal to his countrymen to face the facts of the situation, however hard those facts might be. His countrymen thought him unpatriotic, because he told them the truth. None the less, they have come slowly to recognize that there is no prosperity possible in shirking facts, and that he was their true friend in opening their eyes to the realities of the situation.

My words may have seemed hard to you, my friends, who are workingmen. God knows I have no wish to speak hardly. My heart is full of the sincerest sympathy for you. My soul is stirred with indignation when I contemplate the ways in which society has handicapped you in the race for life. My poor powers are at the service of your cause. All true men feel for you, and long to lend a hand in bettering your condition. To secure for you the best possible lot is coming to be recognized as the task of the State.

But, none the less, nothing is to be gained by blinking facts. In so far as you are at fault for your condition, you must help yourselves before other help can be of real assistance to you. Instead of cherishing illusions, you must prick your bubbles and find out what you hold in your hand. You must thus face the truth that, whatever the future may have in store for you, the present binds up labor with capital in common interests.

The fight that you have to make is not so much against capital, as with capital against your common foes. The fact is that capital and labor are both in the same boat to-day and are trying to make headway against unfavorable currents that are setting in from many quarters. Your wages are low, and your employer's profits are small. You find little chance for work because he finds little chance for safe and profitable investments. Let me give you a striking illustration of this fact. You have all noted doubtless the dangerous revolt of labor in Belgium, lately. The whole of the little kingdom has been agitated by this convulsion. It turns out that the miners with whom the struggle originated were living on bread, without even butterine—upon the very verge of starvation; while the capital invested in the mines was reaping only 2 per cent. The *London Times* is my authority for this statement. Let capital and labor pool their issues and turn their combined forces against their common foes. What these are I propose at least to indicate hereafter.

Friends, you know well the story of the exodus of the children of Israel. How sad the tale of their bondage in Egypt! How heroic their resolve to free themselves! How bright their visions of the promised land, a land "flowing with milk and honey!" How near seemed that land, yet how long it took them to gain it, wandering about in the wilderness of Arabia for a whole generation! There was a short cut across the desert, but, for good reason perhaps, they took the wrong road.

Heed well that ancient story. You sigh "by reason of the bondage" of our industrial system. You lift your eyes to the promised land of which your prophets are telling you: "a land whose stones are iron and out of whose hills thou mayest dig brass;" the land whose title vests in the Lord, that it may be the common heritage of his children, to the end "that there be no poor among you." No mirage, that vision of the promised land, but a substantial Canaan, which you shall yet win if you will. You vow to free yourselves from the task-master's lash and win your freedom, and you band yourselves together for the heroic effort of the new War of Economic Independence. You have allies waiting to help you. The Omnipotent one hath heard your groaning—He will come down to deliver you. Your Moses even now lies in some ark of bulrushes. Judgments mighty and terrible will be wrought for your deliverance. But when your great host goes forth from Egypt, see that ye take not the wrong road to Canaan lest ye wander in the wilderness forty years!

## SOCIETY'S VIEW OF THE SITUATION.

There is a forgotten man back of the present controversy between capital and labor. His name is Society. There are about 50,000 manufacturers in the country, and about 3,800,000 men and women employed in manufacturing, mechanical, and mining industries. The population of the country is over 50,000,000. The forgotten man is a bigger man than either party in the present contest.

Without him, neither of them would find much value in the result of their combined production. Society at large makes the demand which calls forth all supply, and creates the security without which there would be no wealth. Society has a right to a voice in this dispute.

The forgotten man is really capital under another name and labor in changed clothes. Employer and employee alike are more than either employer and employee. Each is a consumer as well as a producer. Each stands in many other relationships than those involved in the problem of capital and labor. Each is a citizen of a great nation, a participator in a noble civilization. Each has need to rise above the personal aspects of the present struggle and view it from the stand-point of society.

Whatever makes life worth living, society has embodied in her institutions, and on behalf of these she lifts up her voice to-day against the mad strife of her own children. If I owned a house and rented two rooms out to different families, I should decidedly object to their quarrelling so savagely as to endanger my property. However indisposed to interfere in their quarrel, I should not stand silently by when I saw them setting fire to my premises.

I. The immediate evils of the present disagreement between capital and labor are serious enough. This strife is crippling the resources of the workingmen of the country and shrinking the profits of capital. It is checking production on every hand and arresting the natural revival of business which was due this spring. It is, as was lately seen in St. Louis, laying an embargo upon the general traffic of the land and at times actually blockading the leading ports of our internal commerce. It is frightening off capital from new investments which it would otherwise be now seeking. It is accumulating in the labor market an increasing body of unemployed or partially employed men, whose inability to demand continues to yet further to depress the productive power of the country, while it leaves themselves in bitter want. It is thus impoverishing the nation. It is killing the goose that lays the golden egg. Society at large is suffering in this arrest of trade. The development of our civilization is thus temporarily checked. The nobler life of man languishes in the economic stagnation. A continuance of the present contest means a prolongation of the



industrial depression, whose consequences will therefore be far-reaching and lamentable.

II. Nor is this all the evil. Acute inflammation prolonged develops chronic diseases. Angry words pass readily into angrier blows, and the quarrel may end in a fight in which society's premises may easily be wrapt in flames. On the one hand labor is organizing as never before, and is using its newfound power to deal summarily with its supposed enemy, capital. On the other hand capital is also organizing. When one is hit hard between the eyes it is a natural impulse to hit back with equal vigor. Capital at present is clinching its fists to deliver its return blows straight from the shoulder. The lock-out is answering the strike, the black-list is replying to the boycott, manufacturing and trade associations are drawing up into line over against labor unions. Each further development of aggressiveness on either side will naturally provoke yet further aggressiveness on the opposite side. The immediate outlook is therefore stormy. We may be entering an era of social as well as physical cyclones.

Capital and labor alike may do things in hot blood which the sober sense of either would utterly condemn. Local anarchy may easily be precipitated out of such a strife.

For the first time in the history of our country, anarchy is being preached among us as a gospel. Missionaries of the old world have come with these good tidings of hatred. A moral epidemic is sweeping over our western civilization, a madness of despair. A *savant* like Elise Recluse and an aristocrat like Prince Krapotkine are preaching this bad-spell with the fervor of enthusiasts. Passing strange as it may seem to us, these men are teaching the poor that there is no hope save in the utter destruction of the social order as it exists. When our present tyrannous institutions are swept away, so they tell the people who listen to them, then there may rise a new order of plenty. When such men preach this gospel is it any wonder that the ignorant and hungry are carried away by this dream of despair?

Within the last two weeks I have received a couple of letters plainly avowing anarchism as the last resource of labor. If you know anything of the wilder labor sheets of this country, you will understand the significance of such letters. For years past, men have been taught to prepare for just such vengeance against society. Paris never heard more frantic appeals to class-hatred than our great cities have heard within the last half decade. This wretched creature, Most, has not only gone about freely uttering his inflammatory appeals, but has deliberately given to the public a book entitled "The Science of Revolutionary Warfare, an Introductory Hand-book to the Preparation and Use of Nitro-Glycerine, Dynamite, Gun Cotton, Bombs, Poison, etc." This fiendish book even stoops to give lessons in the warfare of the savages. It directs

concerning the use of poisoned weapons. "The best of all poisons," he says, "is the poison of the dead human body." Do not let us blind our eyes to the fact that just such moral monsters have been begotten by society, creatures of whom Guiteau was a type, men half lunatics, half knaves, and then armed with the weapons of the Titans.

In themselves, such fiends in human shape can have little power, but, given a state of things such as that into which we are drifting—hosts of idle men proscribed and unable to find work, hungry and savage with want—and these monsters have the following out of which they may readily precipitate disorders vastly worse than any our land has seen. Well says Most's paper: "Five hundred revolutionists, each provided with half a dozen bombs and working in concert could produce such a panic in a great city that a small number of determined men might get possession of all commanding points." Back of such half-crazy creatures are associations which for several years have been deliberately and systematically carrying on the propaganda of just such principles; societies organizing the more desperate elements of labor for a violent revolution. A wide-spread strike at any time may give the opportunity for which these anarchists lie in wait. We saw in our own city within a few weeks how near we might thus be to the most serious disorders. New York cannot surely have forgotten so soon the dreadful scenes of the draft riot! The country cannot surely have forgotten already how near it stood to the verge of a frightful chaos in 1877!

I have no fear for any general or prolonged disorders from the action of our *bona fide* workingmen. No grander illustration of heroism has ever been given in history than that which the operatives of the Lancashire Cotton Mills presented when, brought well-nigh to starvation through our Civil War, they endured silently, patiently, peacefully, for the sake of the principle that was at stake. But, when the camp-followers of the hosts of labor are these demons of anarchy, we may well dread the scenes that may follow our economic conflict.

III. Capital and labor are alike recruiting for the armies of anarchism. Hunger is always savage. One who sees wife and children crying for food is not apt to measure consequences carefully. The man who lifts his two fingers to order out hundreds of hands and leave them in idleness is enlisting followers for anarchism. The Order or Union that uses the strike carelessly must hold itself in part responsible for the desperation which the anarchist turns into bombs. The association of employers which wages war, not against the abuses of labor organizations but against their existence, must hold itself in part responsible for the consequences that follow upon such a running up of the black flag.

I know a man of superior mind, who, a few years ago, was a

mill hand in a New England factory. He had worked in that same mill from the time he landed on our shores. The owners of that mill one day placed in his hands, as in the hands of the other operatives, an ironclad contract, forbidding his connection with any labor association, on pain of instant dismissal. He declined to sign the paper, and lost his place. Wandering from mill to mill, he found everywhere, on one excuse and another, work denied him, until it dawned upon him that he was ostracised throughout New England, and that not a cotton mill was open to him. On the verge of starvation, maddened by despair, having turned every whither for some opening through which might come bread for his babies, he one day took wife and children with him to the mayor's office, carrying in his pocket a revolver—determined, as he told me afterward, to stay there until some work was found him or to shoot the man who tried to remove him. If this be the action of the black-list upon a man of brains, what will be its infuriating influence upon the rank and file of labor? Our great employers seem bent on going into the business of manufacturing such human dynamite.

Nor is this all our danger. Back of our embittered working-men, back of their monstrous camp-following, stands the great rabble of the criminal population of our cities. We must never forget that just below the fair surface of our civilization there is a genuine barbarism; that below the New York of which we know there is a city of criminals, a villainous population ever ready to swarm to the surface, when the mechanism of society comes to a stand-still. Let the arm of the law be paralyzed for a few days, let travel be stopped and communication be cut off while mobs are in our streets, and who can venture to predict the scenes that may ensue?

IV. These visions are sombre enough, but they are not the darkest shadows in the back-ground for the lover of humanity. Society will survive such shocks, though our streets run in blood. Order will be restored and civilization will be maintained. But are we sure that the reality of the Republic may not disappear, as again and again republics have thus disappeared? No one who reads history with his eyes open should be blind to the fact that through just such experiences the greatest republics of antiquity perished.

We wonder at the instability of those beautiful Greek republics; but we may cease to wonder when we perceive the facts on which the muse of history has not cared much to dwell—being too busy with tales of court and camp. Greece established equal political rights for all her citizens, but failed to develop any equality of conditions. Growing economic inequalities, with the growing social inequalities thus involved, rent each Greek city into classes, between which a deepening strife ensued. Plato wrote: "Each of the Greek states is not really a single state, but comprises at least two; one composed of the rich, the other of the poor."



A modern French student declares that: "The Greek cities were always fluctuating between two revolutions, the one to despoil the rich, the other to reinstate them in possession of their fortune. This lasted from the Peloponnesian war to the conquest of Greece by the Romans."

Rome tells the same story. Its history turns upon the ever embittering strife between patrician and plebeian; beginning with peaceful political agitation, but ending in bloody revolutions and bloodier counter revolutions; Marius and Sylla taking turns at converting the seven hilled city into a hell of demons. When the strain grew too severe, when civic strife became chronic, when property lost security and the social order shook with the convulsions of the proletariat, then came the Cæsar, the savior of society, and the republic disappeared in the empire.

Our modern world has not escaped the ancient danger. It tends toward democracy, yet democracy, while realizing political equality, fails thus far to realize any approach to equality of economic and social conditions. De Tocqueville pointed out that, such being the case, democracy must develop social strife. Out of that strife may come the worst of dangers for our Republic. Macaulay left this prophecy, which it behooves us now to ponder well: "The day will come when, in the State of New York, a multitude of people, not one of whom has had more than half a breakfast, or expects to have more than half a dinner, will choose a legislature. Is it possible to doubt what sort of legislature will be chosen? On one side is a statesman preaching patience, respect for vested rights, strict observance of public faith; on the other is a demagogue ranting about the tyranny of capitalists and usurers, and asking why anybody should be permitted to drink champagne and to ride in a carriage, while thousands of honest folks are in want of necessities. Which of the two candidates is likely to be preferred by the workingman who hears his children crying for more bread? I seriously apprehend that you will, in some such season of adversity as I have described, do things which will prevent prosperity from returning. Either some Cæsar or Napoleon will seize the reins of government with a strong hand, or your republic will be as fearfully plundered and laid waste by barbarians in the twentieth century as the Roman empire was in the fifth; with this difference—that the Huns and Vandals who ravaged the Roman empire came from without, and that your Huns and Vandals will have been engendered within your own country and by your own institutions."

What would Macaulay have said could he have seen the California Constitution passed a few years ago! We have thus actually found one of the dangers to which he referred coming true. Already at the end of our first Centennial, we hear the whispers which warn us that some of our wisest and best men have been anticipating the

possibility of some fulfillment of the other alternative of his prophecy. A few years ago, one of the leading Presbyterian divines of our country, in some lectures upon socialism, gave utterance to this portentous omen: "It is no procession of peaceful industries that I see marching now. Labor and capital, from opposite camps, are moving toward one another. \* \* \* \* It may be to meet as Pompey and Cæsar met at Pharsalia. I confess I expect no Cæsar. But then I expect to see this communistic madness rebuked and ended. If not rebuked and ended, I shall have to say, as many a sad-eyed Roman must have said nineteen hundred years ago, *I prefer Civilization to the Republic.*" After the riot in Chicago, Professor Swing was reported as echoing this word of Dr. Hitchcock.

Woe for us, woe for the world if already, in the first shock of this great contest, we are to prepare ourselves even to contemplate the possibility of surrendering those free institutions for which our fathers toiled, in which the hopes of humanity rest. Yet no one who has watched the signs of the times during the last few years can doubt that these two utterances are fair expressions of the frightened feeling that is spreading through our midst, and that may readily crystalize, in times of renewed danger, into actions readily taken but not to be undone again save by bloodier revolutions than those through which fell the monarchies of old. It would not require many panics for Property to cry aloud for some strong man to come forth as the Savior of Society. The *coup d'état* would be easily wrought. The old form of freedom might continue, as the old form of liberty continued in Rome—the ghost of a dead republic. Our Republic could be Mexicanized without any change of titles. Let us then ponder the observation of one of the leading papers of Europe upon our recent labor riots: "The true trial of republican institutions is now coming on."

I am not an alarmist. But, reading history and watching the signs of the times, to me it seems plain that we are blindly drifting into no less serious dangers than these which I have outlined before you.

V. Society therefore must needs call on both sides of this conflict to pause, before the lists are drawn, and contemplate the issues of such a campaign. There is doubtless much to be said on each side, as I have feebly tried to indicate; therefore each side needs to approach the other calmly, considerately, dispassionately and with an open conscience. Each side is more or less at fault, as I have also tried to show.

The essential fault of capital, as it seems to one who looks upon the contest from the stand-point of society, is its failure to recognize that we are in the midst of a period of economic and social transition. The eighteenth century began the political emancipation of the people. Midway in that process the nineteenth century

has entered upon the most astonishing industrial revolution of history. Science has harnessed nature's forces to the mighty mechanisms which would have seemed miracles to the men of two or three generations ago. The conditions of industry and trade have been completely transformed. Under this too rapid transformation the competitive system labors heavily, getting out of gear every few years and coming to a stand-still, threatening to break down altogether. Plainly some higher organization of the industrial mechanism is becoming a necessity—and may therefore be expected to develop in due time. Meanwhile we are between the old and the new order, in a period of disorder.

This disorder bears indeed heavily upon capital, but it bears far more heavily upon labor. Social inequalities, which of old pressed lightly on workmen, gall sorely now that there is equality before the law. Even the economic freedom of labor is being endangered at the very time that it is entering upon political freedom. It is inevitable therefore that there should be the struggle that is taking place to-day. That struggle is labor's endeavor to throw off the burdens of the present disorder, and its aspiration for the realization of the higher economic and social order which looms above the horizon.

It is in the interests of society that this evolution should progress naturally. The greatest good of the greatest number demands a more equitable distribution of wealth, a higher general level; even though that levelling upward should reduce the mountain tops of wealth which now tower above our dark valleys. It is indispensable to a republic that the mass of the people should be economically free, and thus be loyal to the social order. Whatever developments are necessary to secure something like an equitable distribution of wealth and to provide for the economic freedom of labor must be sought by those who have the welfare of the nation more at heart than personal aggrandizement or the privileges of a class. For one, I am thoroughly satisfied that society is moving forward to such a higher industrial order, as the true economic fruition of our new political order.

This evolution may be helped forward—it cannot be permanently thrust backward. Its pathway can indeed be blocked—but then its forces will only rise and swell over all obstacles, no longer in peaceful progress but in the fury of the freshet. This peaceful evolution can readily be turned into a bloody revolution. This is the danger which I apprehend from the side of capital.

The essential fault of labor to-day seems to me its failure to recognize that this evolution of the higher economic and social order is to be brought about not through cataclysms, but through a gradual, orderly, peaceful, natural development out of the present system. Labor dreams of gaining the millennium, which it has sighted, in a



bound. Vain illusion! As Lasalle taught the workingmen whom he banded together in Germany, the economic millennium is to come in slowly and gradually. The roots of social civilization are not to be cut in order to bring forth the flower. Better conditions must be supplied, richer nourishment must be secured, more skillful care must be devoted to the plant and thus the life must strain forth toward its beautiful blossoming. Legislation cannot wind up the old order at a given date, and establish from and after a certain day the new and higher civilization. Legislation can only facilitate the natural growth of society. Force may be invoked, but force is more apt to wreck than to build, more potent to destroy than to create.

Whatever the injustices and oppressions of our present state of society, those wrongs are to be righted rather by constitutional treatment than by surgical operations. Heroic remedies may cure, but they may kill. The knife may remove the tumor, but it may sever the arteries and let the patient bleed to death. Society cannot afford to run any risks. Mistakes would prove too serious in their consequences to be lightly ventured.

The social order, as it now is, with all its manifold imperfections, is the result of generations and centuries of human toil. It has been bought at a fearful cost. It has been won through untold sacrifices. It has been baptized with blood and tears. It represents immense gains upon the past. It holds the promise and potency of vastly greater gains. It is growing the higher order slowly but surely before our eyes. As Dr. Barth, one of the first economic authorities of Germany, writes: "Take a list of wages wherever you please, and you will always find wages to have advanced with rare interruptions during the last half century." Even that apparently most dangerous foe to labor, mechanism, is visibly working good as well as evil—as one illustration will indicate. "The ratio of cost per pound for labor of common cotton cloth for the years 1828 and 1880 was as 6.77 to 3.31, wages for the same dates being as 2.62 to 4.84; the average consumption of cotton, which indicates the standard of life as well as any one item, was *per capita* of total population for the year 1831, 5.90 pounds, while in 1880 the consumption rose to 13.91 pounds, this being exclusive of exports."

Given improvements in our society which are clearly within our reach, and the most beneficent revolution of history would be realized. Society cannot allow of any crass, crude tinkering with its complex organization. Theorists must not try experiments which risk the life of civilization. We will listen sympathetically to your beautiful theories, my socialistic friends, and allow that if men were made over again and all the conditions of earth were changed the millennium might be set up to-morrow; but we must insist that, while men are as we know them and the conditions are what we still

find, it will not do to try brand-new schemes, however well they work—on paper. We will even confess that your noble ideal of the co-operative commonwealth is the very ideal before an earnest society and a noble State, but we will not make the mistake of imagining that an ideal is a reform bill, a measure of practical economics and politics, to be embodied now in legislation. Society must grow slowly toward its ideals. We can take no leaps in the dark. We must move carefully, one step at a time, according as we find our footing secure among the crevasses over which we are cutting our way.

In truth, however, as I have sought to hint in the previous sermons, and as will appear from what I have just said, the chief responsibility for the present state of things lies neither with capital nor yet with labor. The economic mechanism is out of gear, in our transition period. We have outgrown the old methods of industry and trade and we have not grown into an understanding of the new methods and a mastery of them. Society itself is so imperfectly developed that it is seemingly aggravating these economic disorders. The State is as yet so far from a knowledge of its own true functions or a capacity to assume them that it fails to provide that wise direction of the head of the body politic which is absolutely necessary to any solution of our problem—the co-ordinating action of the brain of the social organism.

Society, therefore calls upon both capital and labor to recognize the facts of the situation, to cease from their mutual strife and to join hands in trying to solve the great problem which our age presents to civilization, by a movement all along the line of social development. That task is a long and tedious one, calling for the utmost patience, the most extreme care, in which all the resources of the economist, the social scientist and the statesman will be heavily taxed. The mental and moral conditions in which the task is taken up are however of the first importance. They constitute a prime factor in the problem which we can set at work immediately. Right feeling is quite as important here as right thinking. While the understanding is plodding along in its slow-going gait toward the correct conclusion, the feelings can leap to a point from which men's instinctive action will put the whole problem in a vastly more favorable light. The worst symptoms of the present situation would yield speedily before the action of a calm and kindly spirit, the spirit of men who feel themselves brothers and so try to do justly by one another.

VI. To this I appeal to-day in the name of civilization's fairest flower, the greatest and most beneficent of earth's republics. We have outgrown the childish exuberance of our early Fourth of July self-glorification, but only to grow into a chastened sense of a most real mission from Providence, calling to high duties and imposing solemn responsibilities. Our "manifest destiny" is verily that con-

cerning which our great seer wrote, in the midst of the darkness of our Civil War :

“ The word of the Lord by night  
To the watching Pilgrims came,  
As they sat by the seaside,  
And filled their hearts with flame.

“ God said, I am tired of kings,  
I suffer them no more ;  
Up to my ear the morning brings  
The outrage of the poor.

“ Lo ! I uncover the land  
Which I hid of old time in the West,  
As the sculptor uncovers the statue  
When he has wrought his best ;

“ I will divide my goods ;  
Call in the wretch and slave :  
None shall rule but the humble,  
And none but toil shall have.

“ I will have never a noble,  
No lineage counted great ;  
Fishers and choppers and ploughmen  
Shall constitute a State.

“ And ye shall succor men ;  
'Tis nobleness to serve ;  
Help them who cannot help again :  
Beware from right to swerve.

“ To-day unbind the captive,  
So only are ye unbound ;  
Lift up a people from the dust,  
Trump of their rescue, sound ! ”

With high hearts did the people of the land answer that call of God, and now to-day the Nation renders God thanks that when the awful altar was reared there was strength given for the sacrifice through which the Republic's life was saved. Beautiful day, on which memory weaves fresh garlands for the tombs of the Nation's saviors, and patriotism sings the glories of their heroic deeds ! Are the children of such fathers to prove themselves worthy of the glorious heritage which they have bequeathed, in title deeds writ with their own heart's blood ? Do you dream that the day of heroic effort has gone by, that Duty's voice is not again to speak to the Nation in thunder-tones, calling to new tasks of self-sacrifice ? Lo ! even now the storm clouds of a sorer strife are massing in the horizon, dark, heavy, sulphurous.

Shall we not then learn the lesson of this beautiful day, whereon North and South, so lately in deadly conflict, go forth together to the graves of the brave boys in blue and the brave boys in gray ? Why should capital and labor wait for the end of a bitter



strife to find that after all they have interests in common? Why reach peace only through the miseries of an industrial war? Beneath the shadow of our great Grant's tomb, laden with the flowers of a grateful land, the Nation which he saved lays its hand upon her angry children whispering: "Let us have peace."\*

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\* This lecture was given on Decoration Day.

## THE WAY OUT.

The Alpine tourist learns a secret of progress in his mountain climbs. As he leaves the cold climate of Germany behind him and trudges up the old St. Gothard pass, he does not dream of being able to survey in a bird's-eye view all the windings of his zigzag path, until it lands him in fair Italy. He is content to see but a little way before him, and pushes on confident that, as he rounds the corner, a new stretch of the upward path will disclose itself. Again and again the narrow road may seem to be blocked in the distance by some insurmountable mountain wall 'or to make a plunge over some sheer precipice, but he plods on sure that, when he reaches the point where advance seem impossible, some way out will open for him. Thus he climbs until at last the summit is passed, the descent begins, and soon he is amid the smiling vineyards and gray-green olive groves of the sunny South.

If any one has expected to-day a topographical survey of the route by which we are to reach the promised land of our industrial civilization, he is doomed to disappointment. I have never been in that fair land, save in dreams. Nor do I know of any one who has visited it otherwise. Some of those dreams are indeed to me far more than mere illusions—they are clairvoyant visions, prophetic glimpses of what the future is to open; whose main outlines I trust, while I do not attempt the folly of writing a physical geography of Utopia. If Society is to find its way into its Italy, it must climb an untrodden path over the mountains, following on from point to point as seems feasible, seeing ahead in short vistas, rounding corner after corner, finding the passage apparently blocked again and again, and yet always discovering some way out, until at the end there comes the easy drop into the fair land of peace and plenty. If we wait until we see the whole pathway open before our eyes, we shall never move forward. We must make for the points that are in sight, and trust that when we shall have won them, we shall see yet further ahead, and thus grope our way out.

The Social Problem is so vast and complex that no one but a charlatan will pretend to have found its complete solution. It includes a host of special problems, each of which has to be solved before the grand equation can be completed. The quack may offer a specific for the disease of the social organism, and insist on heroic remedies, but the wise physician will be content with watching the course of Nature's development, and with treating the case symptomatically as the conditions change.

No one can carefully study the situation without recognizing that the trouble lies far below the surface on which men usually dwell. If that trouble were confined to any one country it might be attributed to local causes. How can it be due to our tariff

alone, when one finds the same state of things in protective countries and in free trade lands? How can it be due to any one or more of the other causes often assigned, when it is found in nations where those causes do not exist? The present depression prevails in all the industrial countries of the Western world. Plainly, certain constant factors are working to produce this uniform result in different lands, under different political, social and economic conditions.

While there would be no real overpopulation were our systems of land tenure wisely ordered, there is a relative overpopulation in most countries—a pressure upon the resources of the earth as now developed, and this fact enters largely into the problem.

The marvelously rapid introduction of power-machinery has very much to do with the situation. This is multiplying the pressure of population enormously, in the manufacturing centres, by its immense displacement of human labor. It has created what we ordinarily speak of as an overproduction—meaning by that simply an overproduction relatively to the power of the people at large to consume. It has thus glutted the market everywhere, causing stagnation in industry and trade. This enormous productive power has fallen into the hands of individuals, before society has developed any method of regulating its activity in the interests of the people. The socialist charge of “planless production” is valid. Production has been rushing ahead under the heedless greed of individuals, without their stopping to consider the wants of society, its power of consuming. Herein, as it seems to me, is one of the most powerful factors in our present problem. This is evidenced by the fact that the countries which have not developed this mechanical power are relatively free from the troubles of the industrial nations.

The problem is further complicated by the breaking down of the old-time barriers between different nations. There is now but one market, and that is twenty-four thousand miles long. Each people is competing with every other people. Wages therefore tend, except as counter-currents act upon the labor market, toward the lowest level. A process of equalization is going on among all nations. If the higher peoples cannot level up the lower peoples, they themselves will be levelled down to the conditions of the cheapest labor.

Back of all other factors is the increasing taxation which rent imposes in industrial and trade centres. Capital and labor are dependent upon land. The systems of land tenure in the Western world exaggerate this dependence. The profits of capital and the wages of labor are thus being increasingly depleted to pay the tribute of rent.

These are but a few of the economic aspects of the problem, in its large and general form. Back of all the economic factors are



other and yet larger factors. Many social forces are working in the problem, complicating the purely economic disorders. The problems of vice and crime open side aspects of this gigantic question, full of perplexities. Under the law of heredity, physical, mental and moral defects are dowering each generation with a load that sinks multitudes into poverty. The science of government is as yet so imperfect that the functions of the State—the most important factor in the problem—are very inadequately discharged. Our system of education, our burdensome taxation, our political corruption, our municipal mismanagement—these and a host of other defects in government tell mightily upon the problem.

How difficult then is that problem! How delicate the task of solving it! What patience the attempt demands! That it is solvable is unquestionable to him who believes in progress. The human mind is turning its energies upon it and studying it from a hundred points of view. Already, light is breaking forth from the darkness, and gleams of the coming day are dawning. Time alone is requisite to bring that consensus of economic judgment in which will be revealed to man the laws governing the situation—by laying hold of which he shall be able to extricate himself from the present trouble.

Meanwhile there is much that can be done to alleviate the situation, to facilitate the social evolution, to work out details of the problem and thus prepare for its general solution. In our country, we are so favored that we ought not to feel the more severe pressure of the problem. We ought to be able to save ourselves from going through the whole course of bitter experience under which the old world is groaning. There are some points beyond us toward which we ought to press, trusting that when we have won them the way out will open yet further.

I. Our labor organizations have much to do toward the solution of the problem. Organization is an essential condition of self-help on the part of labor. Individually, the workingman is powerless. Associated, he will have power to gain his just rights. I have sufficiently indicated what seem to me the great dangers before these organizations—let it suffice now that I suggest what appears to me to be their true line of action.

Education is the prime need of labor. The associations which these organizations bring, the discussions they open, the reading and study they stimulate, all foster that education.

These associations can become mighty forces in the war against one of the worst foes of the average laborer—Intemperance. They can boycott rum.

They form the natural nuclei for the economic combinations of which labor stands in such need today. They can be made vast mutual assurance leagues. They can develop, in various forms, the principle of co-operation; leading out into loan and building socie-

ties through which workingmen may become the owners of their homes, co-operative stores through which they can cheapen the necessities of life and secure the best quality in them, and ultimately co-operative productive associations through which their savings can be capitalized and labor become to some extent its own employer. I have no illusions about co-operation. I recognize clearly its limitations. But I see in it certain very substantial advantages which labor needs, to strengthen itself for its more arduous tasks. My chief interest, however, in co-operation centres in the education that it carries on; its general quickening of the intelligence and its practical training in business—an indispensable condition for the coming higher forms of industry, in which labor and capital are to blend.

These organizations secure the means for carrying on that patient agitation out of which is to come the gradual and peaceful shortening of the hours of toil—one of the most important conditions for the economic prosperity of labor and for its intellectual advancement.

Our labor organizations provide the instrumentalities through which the power of the ballot is to be utilized. Political action must be the ultimate hope of labor in a republic—not the formation of a class-party for national campaigns, but the judicious and timely exercise of pressure on behalf of particular legislation. When our trades-unions and Knights of Labor are thoroughly organized, they can control legislation, in so far as such legislation is necessary and practicable; and thus secure the best possible conditions for the solution of the problem.

II. Our great manufacturing and trade and commercial associations have somewhat to do toward the solution of the problem. They can exert a very positive influence toward this end, without repeating the mistakes of the guilds of olden times. Very much that needs to be done for the better regulation of the business world can be far better done by these associations than by the clumsy hand of legislation.

Some control of speculation is imperatively needed. It seems impossible as yet, to frame laws which will reach the evil without interfering with the freedom of trade. But were our great business associations bent on putting a stop to the gambling of our Exchanges, they could soon do so, by the force of public opinion generated in these bodies.

Some regulation of our present helter-skelter production, in which every man is free to push manufacturing ahead to the full extent of his power without thought or care for the general needs of the community, is urgently demanded. Until there is found some better regulation of our industrial mechanism than the alternate fever and chill of our periods of prosperity and depression, we must expect our social problem to go unsolved. We dare not think of the

State's undertaking such a delicate task, but surely we might reasonably look to these modern guilds for some honest effort to improve upon our present "planless production."

These associations can do much toward the development of a higher relationship between capital and labor. They can stimulate the study of the various experiments that have been made in different countries with reference to a more harmonious alliance between employer and employee. They can thus foster the growth of profit-sharing and possibly of wiser forms of a true industrial partnership. And they can at once make for peace by introducing boards of arbitration.

III. Society at large has something to do toward the solving of the problem.

The economic evils of luxury have doubtless been greatly exaggerated, yet those evils, as far as they go, are actual. Luxury is, to a considerable extent, an economic waste. It employs labor truly, but largely for non-productive pursuits, in occupations which demoralize those engaged in them. But the true evil of luxury lies in its immoral influences. It sets false standards of life. It multiplies and materializes wants, instead of simplifying and ennobling wants. It goads men of business to a reckless pursuit of riches. It fires the fever of speculation. It turns the noble aspirations of poverty into ignoble ambitions. The poor hunger not after cultivated minds, but after silk dresses and jewelry, even though it be pinchbeck. It feeds the jealousy and envy of the less fortunate of earth, as they look up to the wealth that flaunts itself upon our avenues in lavish ostentation.

Is it not time to call a halt in our selfish indulgence of luxurious tastes? Society can do much toward easing the social problem, by cultivating that "plain living and high thinking" which is the true glory of a civilization. Here is somewhat for womanhood to do in the great task of our time.

Society's demand for cheapness is intensifying the strain of the business world. We grow indignant over the inhumanity of employers who, to make large profits, cut down the wages of their hands to starvation rates. There is need of a good deal of wholesome indignation in this direction. But let us not pour it forth too generously upon others, when each of us perhaps may need to heap a little upon ourselves. Employers are driven into a cut-throat competition to undersell one another, because the purchasing public demands above everything else cheapness, and never troubles itself about the real cost of goods.

True, it must be difficult for us, who buy, to solve this problem before our own consciences, until it shall come to pass that our stores will take pride in marking upon their goods the actual cost thereof. It would perhaps seem like a strip of the millennium to find any store honestly letting the public know the wages paid for



labor on its goods—but I am persuaded that whoever leads in such a new departure will find an immense constituency waiting to support him. Meanwhile I pray you, good women, who take such delight in shopping, remember the moral responsibility which may be involved in your “splendid bargains.” Go home and read again the “Song of the Shirt,” and muse over it a little.

IV. The Church has a part to play in working out this problem. The solution lies largely in the action of moral forces. No legislation can determine what constitutes a just distribution of the rewards of industry between profits and wages. It cannot be stated in the hard and fast terms of political economy. Let the desire to “do justly” really work in the consciences of employers, and some way will be found to reach a rude equation of equity. It is the Church’s business not merely to preach, as of old, the duty of generosity in the use of wealth, but the duty of justice in the accumulation of wealth. In one of our great cities there has lately been a bitter strike against a great employer, some of whose hands were receiving four dollars a week, while he had but recently given \$50,000 toward a church. Let the Church say to Capital: “Keep back your gifts and pay your debt of justice to your fellow partner, Labor.”

V. The State has much to do in pushing forward the practical solution of the problem. We need not here enter into any elaborate discussion of the functions of the State. Experience teaches more than books. Facts are more solid than theories. Our older school of political economy told us that the State could do nothing in this problem except to muddle it. As a matter of fact, however, legislation in the interests of labor has been forced upon the English Parliament, despite of the theorists, and that legislation has proven a most substantial aid in the elevation of English workingmen. As a matter of fact, the State is being steadily pushed, by the unconscious action of the social organism, into the development of new functions, and these are thus far working well.

In truth it is only in political economy that a headless organism is counted a natural condition of life. Everywhere else, a living body develops a head, with brain-power capable of co-ordinating the complex activities of the organism.

Certainly such action of the State may be easily pushed too far. Individual initiative may be repressed by State direction, as in France. Herbert Spencer’s nightmare-dream of “the coming slavery” is a possibility, against which we need to guard ourselves. We shall have guarded ourselves effectively against this danger if we clearly recognize it, and, with eyes wide open, appeal to the State for nothing that can be effectively done without its direct action. We must not ask of the State to direct the local functions of the body but to see that the general conditions of the organism are healthful, that no abnormal disorders check the natural auto-

matic action of the social organs, and that, if such disorders arise, wise remedial measures shall be used.

(1.) As the first step in this direction we have need to perfect our political machinery—by which of course I do not mean perfecting the political machine. It goes without saying that our political mechanism is to-day very defective; that it needs to be developed much more highly to realize the benefit of free institutions. A true republic would provide the political conditions for the solving of our economic problem, in so far as the State is a factor therein. We need to reform and develop our municipal, State and National administration, to the end that there shall be a government of the people, by the people and for the people. There is room here for the co-operation of every citizen.

Capital and labor alike need to lend a hand vigorously in the purification of our public life, in the perfection of our political mechanism. Labor seems to me strangely blind to its opportunities in this direction. Were it roused to the realization of the evils of our present municipal administration, we might have a government of New York in which, instead of the burdensome taxation now imposed upon our community, there would be the common sense, business-like administration of affairs which characterizes many a German city. Cannot labor realize that the socialist dream requires, as the prime condition for the vast responsibilities which the State is to assume, a genuine civil service reform—a government carried on as a great business?

(2.) The State can aid in the working out of this problem by developing her system of education. Capital understands well enough how profits are affected by the intelligence of workingmen, and labor understands equally well how wages are affected by its education. You can measure the relative wages of the different States of our Union by their percentage of illiteracy. It is of prime moment for both capital and labor that our people should be as well educated as possible.

The State must therefore make education compulsory, as in law so in fact. The employment of children in our factories—for which poor parents are responsible as well as rich employers—should be effectively prohibited, in so far as such employment interferes with that prime necessity of our people, the education of the on-coming generations.

Our education must be made to bear more directly upon the pressing industrial problem. At present our common schools do not attempt to provide for the most common necessities of the common people. We teach the children of the people everything except the prime need—the knowledge which maintains life, the skill which elevates life. If there is any justification for the State's taxing A to provide for the education of B's children, that justification is primarily to be found in the fact that such education

is to make out of those children that which they otherwise probably would not become, self-supporting citizens, relieving A's sons from the burden of taxation for the support of B's sons as paupers or criminals. Clearly our common schools can lay the foundations for industrial education; adding to their present instruction in drawing such training in the various handicrafts—modeling, working in wood, etc.—as will develop interest in those pursuits and capacity for them. Thus, without making carpenters or machinists, the public school can make the material for any handicraftsmen.

I see no reason, despite of all that has been said to the contrary, why the State should not provide training schools for special industries; since in the decay of the old apprenticeship system there is at present little provision for the development of skilled workmen. Certainly, however, it can foster the growth of artistic industries, as many European countries are doing, with remarkable success.

(3.) The State can aid in the education of thrift—the lack of which we have seen is lowering the profits of capital and diminishing the resources of labor. If political economy is right, as it undoubtedly is, in teaching that thrift is the basic virtue of an industrial civilization, then the State is wrong in not making sure of the culture of this fundamental virtue of our society. The child's attention should be drawn to the duty of practicing self-denial for the future. Habits of saving should be formed, and boys and girls led to realize the rewards of abstinence. The more that the homes of our poor fail to inculcate this virtue, the more should the State see that her common schools train it. It is not needful that there should be long lessons upon thrift or text-books about the duty of saving. Let our public schools learn a lesson from many of our industrial schools; wherein, by the simplest of machinery, children are being trained in this important habit. What a boon it would be to the country at large if our public schools secured for the immense number of children gathered within them such an annual saving as our own industrial school has done for its poor children—a saving equivalent to a thousand dollars a year! In France, since 1874, over 23,000 school savings-banks have been opened, with nearly 500,000 depositors, and with deposits amounting to \$2,225,000.

The State can carry on this training in thrift among its adult citizens. There is a wide-spread suspicion among the poor of our savings-banks, an unjustifiable suspicion surely, but one that is natural, in view of the many and shameful failures that have taken place among those institutions. Each broken savings-bank breaks up habits of saving among a host of people. Through a large portion of the South and West, there are no facilities for laying up small savings. The post-office stands everywhere, a branch of the soundest financial institution in the land. No greater incentive



to thrift could be devised at present than the introduction through our land of the postal savings system. Let the State see that her duty is discharged in this respect. Every depositor in the National Savings-Bank will become a shareholder in the Government, and will be made thereby a conservative member of society. His interests will be opposed to everything that imperils the security of the country.

(4.) The State can reform her system of taxation, so as to lighten the burdens which it now imposes upon industry and to undo the artificial restrictions with which it cramps trade. This subject is so large and complicated that I shall do no more than refer to it, though indeed it is one of the most important factors in the problem. Many of the well admitted principles of taxation are systematically ignored in our methods, which are often rather barbaric than civilized. One need be no free trader to recognize the fact that our system of protection is not a science but a grab-game, in which "infant industries" stand as much chance of being helped as infants would stand a chance of getting at a table amid a rush of hungry giants. Luxuries should bear the chief burden of taxation, rather than the common necessities from which we raise the greater part of our revenues. A direct taxation would disclose the fact of the oppressive tolls which we now lay on the necessities of the poor, thus depressing the consuming power of the masses of the people; but we veil this folly under our indirect taxation and suffer blindly. In many ways a wise system of taxation could favor a better distribution of wealth while increasing production.

(5.) The State can see to it that whatever legislation she orders shall be impartial. Whenever labor asks aid of the Government a great cry goes up against interfering with natural laws, from the parties which have fattened on special legislation. There can be no question whatever about the fact that, alike in our National and State legislation, capital has been aided enormously while labor has had the crumbs which fell from the table. Compare the extent of our labor legislation with the mass of special legislation in the interests of private parties—corporations, companies and individuals—and the conclusion will be irresistible. Every facility has been provided for the organization of capital, and scarcely anything has been done to facilitate the organization of labor. Every safeguard has been thrown round the financial operations of wealth, and scarcely a provision exists to-day in this State for securing the modest monetary transactions of poverty with its banker—the pawnbroker. Partial legislation is as unwise as it is unjust. The interests of individual capitalists may be fostered by the depression of labor, but the interests of capital at large can only be fostered by the elevation of labor. The mass of men are the great consumers of the nation. Let their power of con-

sumption be depressed by legislation and capital's power of production is restrained.

(6.) The State can control transportation in the interests of the people at large. Exchange is an essential part of production. Each should be thoroughly free, with no artificial restraints imposed upon it in the interests of the few. Modern transportation, from the necessity of the case, tends to become a monopoly. It should therefore be under the direct superintendence of the State. The power given to a few of controlling our great lines of transportation is too gigantic to be left in the hands of individuals. I am aware of what Mr. Atkinson shows as to the surprising reduction of through rates upon our great lines. There is, however, another side to the question. A few years since, a committee of our State Legislature found that one, at least, of the great lines leading into our city was charging two or three times as much as the roads into Boston for the freight of a prime article of food, milk; and, as a result of that investigation, there was a large drop in the rates. Another committee of our own Legislature stated distinctly that our railroads imposed an annual taxation on the country which no government would dare to lay. In many ways the natural, free action of exchange is cramped by the methods of management used by some of these great lines of transportation. Whatever excesses the Granger movement developed, it none the less grew out of a real evil. The State should follow the example set by several countries of the old world, and either own our railroads or superintend their direction in the interests of the commonwealth.

(7.) The State should regulate our foreign immigration. Hitherto it has been absolutely free, and to our shores have turned the needy and discontented of every nation of Europe. It has been our glory that we had opened a place of refuge for the weary of the earth. Perhaps we have been a little too generous in our hospitality. Certainly immigration has been pouring in faster than our power to assimilate it. We have received over 4,000,000 immigrants in the last decade. We have needed most of this immigration, and, if we could have distributed it wisely, it might have been an unmingled benefit. It has, however, tended largely toward our great manufacturing centres, which it thus still further clogged with surplus labor, depressing wages, lowering the power of demand on which production depends, and thus leading to the shrinkage of profits.

Plainly, we need either to restrict our immigration or to organize its distribution in the interests of the nation. If we throw open our doors to the world, we have the right to assign places to our guests. We have certainly also the right to direct our invitations. At present we fulfill the gospel command, and go out into the highways and hedges and compel the lame and the blind to come.

in to the feast which we spread. We have made our land the dumping ground of the refuse of earth. Europe has found our country a free almshouse for her paupers and a Botany Bay for her criminals, costing her nothing. She has systematically shipped to us the people whom she was glad to get rid of. This country is somewhat large, but there is not room enough in it for Spiers and Most. There ought to be a little more difficulty in importing such precious specimens of humanity. We do not want free trade in moral monsters.

There should be, in some form, stringent legislation as to the financial ability and general character of those whom we ask to become citizens of our great republic, if we desire that republic to live. Already nearly 33 per cent. of our factory population are of foreign birth—unaccustomed therefore to our institutions, untrained in the moral restraints which freedom imposes, creating the raw material for corruption in politics and for violence in strikes. The balance of power in Massachusetts is now held by the manufacturing towns and cities, into which 140,000 Canadian Frenchmen have been imported in recent years. Among 15,000 of these people in one town, not more than one-third can read in any language.

Without question, it is high time that the law passed two years ago by Congress, prohibiting the importation of cheap foreign labor under contract, should be rigorously enforced. This is a species of immigration which allows of no justification. It is a monstrous wrong that unscrupulous capital should be allowed to rake the cheapest labor markets of the old world for the material with which to fight our American workingmen. Wages are thus reduced, hosts of men are thrown into idleness, the standards of life are lowered, bitter feelings are aroused, and an inflammable condition gendered, out of which may readily come worse scenes than those of the Hocking valley.

Mr. Wright, in the admirable report of the National Bureau of Labor, thinks that there is no disposition on the part of capital to violate this law. Some of our labor papers give another story. There exists now I believe, in this city, a company incorporated to carry on the business of importing low-priced labor. Only this week one of our papers stated that 2,000 cheap Italian laborers were on the way to our shores, under contract for a railroad enterprise. If such facts exist, there is need for the enforcement of the National law. It will prove here, as everywhere else, that the interests of labor are the interests of capital—not of the individual capitalists, who may have to pay the higher wages, but of capital at large, for whose productive power there will be made a greater demand, as labor is higher paid.

(8.) The State may well foster the colonization of the West and South, as a means of relieving the overcrowded labor market



of the East. Mr. Wright estimates that about a year ago there were a million of people without employment in our country, and he calculates the loss to trade thus caused at about \$300,000,000 for the year. Fancy \$300,000,000 worth of demand withdrawn from our markets! Is not this one item alone enough to create our present depression? Set this million of idle people at work, and every one of them would begin to buy, and through a thousand stores an increased demand would make itself felt, which, inspiring confidence, would start up again our industrial mechanism, now paralyzed largely from the mental epidemic of distrust under which we are suffering. The biggest boom our country has known would begin to-day, if this million of idle people were put at work.

It would seem to any reasonable man one of the most natural functions of a true State to aid in tiding over such periods of depression, by finding work for the unemployed. This task, however, is beset with so many difficulties that it is no wonder that our Government shrinks from it. There is one way alone, as it seems to me, in which the difficulty might be met, without incurring greater dangers than those escaped. The great nations of the old world have always relieved the pressure of overpopulation by systematic colonization. Most of our idle people in the East are unprepared for life upon the land. To ensure their self-support they need to be led and directed in colonization. This is too large a task for private philanthropy. It might perhaps be organized by the State.

If it were found possible to stimulate colonization by any system of loans, secured by the land and its improvements, this would be a clear duty for the State. When there is local inflammation in any part of my body my head suggests at once the application of measures which will tend to restore the normal circulation. Let the head of the body social do likewise. Certainly, the State should facilitate individual immigration from our, overcrowded centres, in every practicable way.

Because of this duty of furthering a better distribution of the population, the State should have held as a sacred trust our magnificent domain of public lands which it has lavished so recklessly upon speculative railroads. Our National Bureau of Labor declares that two thirds of our public lands have been already deeded away and that the greater portion of the remaining third is unavailable for cultivation at present. A few years ago, when interested with some of you in a private enterprise on behalf of colonization, I wakened with a start to realize that our limit of available free land was already reached. The shadows of the old-world problem are thus stealing rapidly upon us. It is not yet too late to retrieve our mistake, in part at least. It is estimated that 100,000,000 acres are reclaimable to-day by our National Government, from railroad

companies which have failed to comply with the conditions on which their grants were made. Here is a clear case for legislation.

(9.) The State should hold all mineral resources hereafter opened as the property of the people at large.

If it were not for our conventional customs, how monstrous would seem the notion that the natural resources of the earth could be monopolized by individuals. In the bosom of the earth are stored treasures beyond the dream of man. No human toil has wrought that wealth. It lies there ready-made for man, waiting only to be lifted to the surface and disengaged from its alloy. The Creator has stored this treasure-house with his gifts for his children. Some of these treasures are absolute necessities for their life. It would seem to be the simplest and clearest ethical principle that such a provision by the Most High for man's needs should be the common possession of the household of the earth.

Whereas, we have let it come to pass that chance or superior knowledge may place in the hands of a few individuals the control of these subterranean treasures. A man may buy a few acres of the surface of the earth, and, lighting upon a rich vein of mineral, may lay unchallenged claim to whatever vast resources are thus opened by accident to him. Round him myriads of people may stand shivering in the cold of winter, and he has the right to tax them at his pleasure for the coal with which they shall keep life in their bodies. A few years ago, in our city, a coal magnate was asked what the price of coal was to be for the coming winter. He replied with a smile: "As high as Providence will permit and as low as necessity compels." During this present winter a company of estimable gentlemen, over a supper table in a Murray Hill mansion, settled between themselves the amount of coal that should be mined during the coming season. Do you, with child-like innocence, imagine that this quantity was determined by the needs of their fellow beings? Round them a few hundred thousand people were buying coal by the basket full, paying at the rate of from \$15 to \$20 a ton. These excellent gentlemen, however, had no eye upon this aspect of the case, but were simply considering how to gain the largest dividends for their companies.

The State has thus left in the hands of a few individuals the power of imposing a most oppressive taxation upon a prime necessity of life; the power of lowering the real wages of labor and shrinking the profits of capital, through the depression caused in the general demand by this needless taxation. Coal is but one of the mineral resources of the earth. Copper, lead, iron, oil—indispensable all to our industrial life, are thus the monopolies of individuals instead of being the common wealth of the people at large. We may not perhaps be able to make any retroactive legislation concerning the properties already allowed to pass into private hands, but there are vast treasures of nature yet to be opened.

Imagine what immense resources the State would command for the people at large if the profits drawn from the mines of the future were to pass into its control. Every higher need of the nation, which now languishes, would be richly fed. We should be able to put education upon foundations such as it has never known; to endow scientific research, and thus stimulate the growth of wealth beyond even our dreams, to provide for the people free museums and libraries and art galleries and parks and advantages of every kind such as have hitherto only been found in Utopia.

If any one objects to entrust such large resources to the State, as we may all well do at present, the danger could be avoided by the Government's running mines on a cost basis, and thus lowering the prices of coal and other necessities immensely—whereby a better distribution of wealth, would be facilitated while stimulating a larger industrial productivity. And if we fear to cumber the State with such large affairs, the working of the mines could be let out to individuals or companies, on terms securing the interest of the people at large.

My interest in this special suggestion grows not alone out of the immense benefits to be derived directly from its adoption, but out of the more immense benefits to follow indirectly in its train. The right of the people at large to the control of the mineral resources of the earth holds the principle of the right of the people at large to control the tenure of land—the raw material of all wealth. The natural resources of the earth in every form need to be held in the interests of the commonwealth.

Land is the prime factor in the production of all wealth. Capital and labor alike are dependent upon it. It thrives upon the growth of capital and labor, and in industrial centres tends to absorb the profits of both. This is a simple fact which can readily be tested by any study of our present society. Land is a limited quantity. There is just so much of it—about thirty acres for every man, woman and child in this country to-day. You cannot increase that land, though of course you can make it more highly productive. It does not therefore come under the regulation of competition. It is necessarily of the nature of a monopoly. As every other monopoly, it demands therefore the control of the State, that the monopoly may be that of the people at large and not that of individuals.

Society has the undoubted right to revise its laws at any time, as the interests of the people shall demand. The time is coming rapidly in the old world for such a revision. We have a longer day of grace in this country, but sooner or later we shall find that prosperity for the people can be secured alone by the control of the tenure of land in the interests of the commonwealth.

Facts are more suggestive than any amount of talk. In 1802, the Mechanics' and Traders' Society of New York purchased from ex-Mayor Varick the 25 x 99 lot on the northwest corner of Broad-



way and, what is now Park Place. The cost of this lot at that time was \$11,500. To-day, with the same improvements which it had in 1802, it is worth \$200,000. Rented at six per cent. net on this valuation, the society has an income on its investment of over 100 per cent. per annum. A one-roomed store at the corner of our street rents for \$3,000 per annum. More than half the arable land of California is owned by one hundred men. Take now a State midway between the geographical extremes and we shall find that Illinois, with a smaller population than Scotland, has nearly 20,000 more tenant farmers. In Springfield there are some 200 residents living upon their rent-rolls as landlords of farm properties. One man who lives in England owns 40,000 acres in one county of Illinois, from which he draws a rental of over \$100,000 per annum. It would seem that the time had already come for us to control speculative dealing in land, and at least to raise the question of regulating the normal rate of rent, as we now regulate the normal rate of interest.

The so-called Mosaic legislation leads us back to the ultimate factor in the solution of the social problem. The land is Jehovah's. It must vest in Him. It must not be allowed to become the monopoly of the few. It must be the common heritage of Jehovah's people, "to the end that there be no poor among you." As Seneca long ago said: "While nature lay in common, and all her benefits were promiscuously enjoyed, what could be happier than the state of mankind, when people lived without avarice and envy? What could be richer than when there was not a poor man to be found in the world? So soon as this impartial bounty of Providence came to be restrained by covetousness, so soon as individuals appropriated that to themselves which was intended for all, then did poverty creep into the world."

These are some of the suggestions which I offer, not as being at all novel but as having for the most part a higher value than that of originality—the authority of a growing consensus of the thoughtful students of our social problem.

Such seem to me to be some of the points for which we are to make, if we would find the way out of our present serious situation. I may be doubtless confused in my look ahead and may mistake the bearings of the true pathway over the mountain; but the general trend of the course I think has been truly indicated. In some such direction lies the way out. As we push on we shall correct whatever mistakes we may have made in looking ahead. Let us then push on with a mighty will and an unfaltering assurance that there is some pathway over the glaciers and precipices into the sunny fields of the promised land.

Not in vain, O Humanity, hast thou cherished through long ages of darkness this high hope of a good time coming! Not in

vain hast thou heroically toiled onward, as toward some better country, through blinding mists, against chilling winds, over flinty pathways where every step has been a wound! Not in vain have thy prophet-sons climbed ever and anon some projecting summit, and, with eyes lighted up with the vision of the land beyond, sung down to thee their strains of joyous reassurance! Sure instinct of the human heart—the day is coming when its purpose shall be vindicated; as over the desolate mountains the weary hosts of earth's toilers descend and find themselves amid the vineyards and the olive groves of the land of peace and plenty.

Behold the seal of this hope, the sacrament of this faith in the memorial of the man who came upon our earth preaching this gospel: "The kingdom of heaven is at hand." The kingdom of God *is* to come upon our world—his will *is* to be done here on earth as it is done in the heavens. The Holy Communion of the children of the All-Father is to grow around it the Free Commonwealth of the human brotherhood—that true Communism of which we are led to think of in this Whitsuntide: of which the prophecy was written in this ancient record: "and the multitude of them that believed were of one heart and of one soul: neither said any of them that aught of the things which he possessed was his own; but they had all things in common. Neither was there any among them that lacked: for as many as were possessors of land or houses sold them and brought the prices of the things that were sold and laid them down at the apostles' feet: and distribution was made unto every man according as he had need."



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